An update on the Cedarbrook nursing home construction project

By Rick Molchany, Director of General Service Department and County Controller Mark Pinsley

The County serves as the social services caretaker for our residents when other resources are not accessible to those in need. Our Cedarbrook facilities, one of only seventeen County nursing homes in Pennsylvania, continues to provide quality services at the highest five-star rating. Significant improvements have been underway for several years at the South Whitehall facility which are expected to be completed in 2026. As Controller, due to importance of maintaining / improving the facility and due to the major capital investment associated with this project, I want to communicate to you, the taxpayers, an update on the Cedarbrook nursing home construction project. Given the Cedarbrook project is one of the largest expenditures in the history of Lehigh County, I want to provide a public update at this time to provide assurance the project is being well-monitored by the Administration, the Commissioners and the County Controller. This does not preclude the inevitable, unexpected issues commonly encountered in any large project. Unanticipated events are common and expected and as issues are encountered contingency efforts are put in-place as required.

Based on my ongoing discussions with project manager Rick Molchany since the project broke ground, the Administration and the Commissioners have been closely monitoring the Cedarbrook construction progress. This project with an original estimated cost of $47 million will cost over $75 million (to-date as of September 9, 2025) for the planned expansion and other improvements of the Cedarbrook senior care and rehabilitation facility in South Whitehall. A large increase in construction costs was the initial delay from the engineering estimate to the actual bidding process for construction costs. That delay in timing was significant construction escalation expense that created the initial delta between original budget and estimate. In addition to the project delays, the impact of site conditions and have affected owner costs. The potential for soil issues at the construction site were included in the construction planning. However, contractor remuneration efforts were ineffective and this led to unanticipated delays. Project completion timing and cost will be dependent on possible future additional construction challenges offset at least in part by anticipated successful legal actions.

The County has in-place a “Tolling Agreement & Reservation of Rights”. A reservation of rights clause is a statement of intention that reserves a party’s full legal rights under an agreement or contract, and advises the other party(ies) of the fact by putting them on notice. A reservation of rights clause also reserves the rights to remedies. The largest schedule impact was the sub surface ground improvement plan, and that is the basis of the reservation of rights. We believe the contractor created delays and did so without a substantiated engineering foundation. Our engineering was consistent through the design and execution of the sub surface conditions. We do agree that certain elements of supplies were added to the project to ensure the facility

structural stability. These added components could have been accomplished without negatively affecting the schedule.

As you may know, the County Controller is responsible for reviewing all Lehigh County expenditures. Among other duties, my office performs continuous audits of the payments to vendors. We monitor compliance to the rules and regulations in place in the Lehigh County Administrative Code and associated County policies and procedures for capital expenditures, bidding and contractual requirements, funding availability, invoice documentation review and approval including contract change order requirements. Operational decision-making for County project management and funding is directed by the County Administration and County Commissioners respectfully. The Controller's role is to evaluate, monitor and report on compliance and financial control.

In order to communicate the chronological evolution of Cedarbrook construction project, I requested Rick Molchany provide some details on both the history and current status of the project. Here are the key areas of my questions to Rick and our ongoing discussions:

- Some background, # of beds prior to project and the physical conditions that required project initiation and improvement of quality of care issues.

- Project proposal / approval process.

- Brief chronology of project engineering / planning / planning recognition of ground stability issues

- Options considered / RFPs issued and decision-making on project scope.

- Initial cost estimate phases, expected project construction time line, project completion date.

- Project funding sources current and future.

- General contractor / other contractors' selection / original contract amounts. How/why the general contractor / other contractors were selected.

- Timeline / description of construction issues encountered and detail of contract change orders required.

- Evolution of project modifications during construction affecting project cost and contingency amount. Effect of Covid on project pricing.

- Summary of cost and % completion by year.

- Current % completion estimated total cost of completion, current unresolved issues / challenges.

Below is a summarization of Rick's answers to my questions and comments. A detail report showing Rick's comprehensive discussion (including exhibits) is available on the Controller's Office webpage https://www.lehighcounty.org/Controller .

Q1: Can you review the project background, # of beds prior to project and the physical conditions that required project initiation and improvement of quality-of-care issues?
The project was complex, and was initiated by Lehigh County Board of Commissioners in late 2013. The financials for Cedarbrook were alarming, and underperforming; thus, the BOC commissioned a business review audit completed by Complete Healthcare Resources.
The Allentown facility has become undesirable in the market due to the age and condition of the facility. The facility presents with an outdated floor plan of three or four people to a room with a communal toilet and bathing facilities on each unit. This is the primary cause of the occupancy and revenue decline.

Q2. Please describe the project proposal / approval process, options considered / RFPs issued and decision-making on project scope.
To create the Architectural/Engineering (A&E) and Construction Management (CM)/Inspection professional services contracts, I created a scope of work for procurement needs. The Request for Proposals followed the County Administrative Code for procurement. Once we completed the RFP process, we evaluated the qualified vendor submissions. Prior to final selection, two vendors were brought in for predetermined questions. This was an additional step to verify our decision. Vendors were selected. To officially engage and accept the proposals, we created legislative action for the Board of Commissioners to approve the Professional Services Contracts. Professional Service contracts for design services and construction management were BOC approved and signed by the County Executive.

Q3. Can you go in to more detail on the chronology of project engineering / planning?
With the Professional Services Agreements approved, we started the process of creating facility design. Facility design was specified in the contract, and our A&E vendor began to design the new wing facility. This process was extensive. Site evaluation, along with reviews of current zoning and permitting requirements were evaluated. The facility design was a function of several working meetings with various Cedarbrook departments. The design encompassed their needs for managing a successful skilled facility. We ensured that no rooms would have more than two residents and all rooms will contain full restrooms. Note, this process was deeply influenced by Covid 19, as we had to conduct most of our design meetings remotely.

Q4. What was the initial cost estimate for the construction phases, the evolving project construction time lines, project completion date. Evolution of project modifications during construction affecting project cost and contingency amount. What was the effect of Covid on project pricing?

For the purposes of project evaluation, the County requested several cost estimates from A&E, and Construction Manager professionals.

The first estimate was completed by Roth Marz via their audit of our facility needs. This analysis was a general directional estimate, and not to be confused with a structured financial plan. This was completed without fully developed design and the creation of prime contractor bid documents. The project estimate was $46,618,476.

The second estimate was completed by Skanska, via their audit of our facility post design. Their analysis was a general directional estimate, and not to be confused with a structured financial plan. From that estimate, we needed to add the "already completed first phase of the construction plan" or $915,689. This will describe the initial total construction and owner expense obligations for this project. The project estimate was $63,596,255. The second estimate was a more complete representation of the actual directional costs and we noticed a large delta from the original cost estimate.

Covid had a negative pricing affect on this project. All supply logistics were challenged, and Skanska estimated the year over year construction impact was double a normal year. In our case, the planning projection was 5-6% year over year increases (with some equipment even more increases) versus a more traditional 3% increase. Although Covid, the pandemic, has subsided, the effects to our construction plans have not. We continue to see labor shortages, supply chain logistics and outrageous price increases. At this point, the data obtained from the updated cost estimate was used to determine funding options to complete the project. See question #7 for the project budget as of September 9, 2025.

Q5. How were the general contractor / other contractors' selection / original contract amounts determined? How were the general contractor / other contractors selected?

Contractors were selected following normal, approved and in compliance with County Administrative Code requirements.

Q6. Describe the construction issues encountered and detail of contract change orders required. Including, planning recognition of ground stability issues including the Cedarbrook Karst Condition Review.

- During the building design the Geotechnical firm (Hillis-Carnes) was engaged to perform sub-surface exploration (Geotechnical Engineering Study) inclusive of onsite drill borings to confirm soil conditions and provide recommendations on foundation types based on the site geology.

- The results of the borings confirmed Karst geology at the site and Hillis-Carnes provided recommendations for both deep foundations and shallow foundations on improved ground with some limitations on each foundation system.

- Additional exploration was recommended regardless of the ground improvement system.

- A grouted aggregate pier system was noted on the structural drawings.

- General Contractor has construction contractual responsibility for the field methods plan. The General Contractor is responsible for the design and installation of the ground improvement system.
    - PJ Dick hired a sub-contractor (CNC) to design and install grouted aggregate piers.

- Design discussion began early 2022 with the first delegated design submission received and returned in March 2022. (Due December of 2021)

- The general contractor engaged Hillis-Carnes to perform additional subsurface exploration efforts (Electrical Resistivity (ER**)** - Geophysical Study) to evaluate the general subsurface geologic and potential Karst features as they related to the aggregate pier design.
    - The purpose of the ER Survey was to determine general characteristics of the subsurface, confirming anomalies were not present.
    - The ER scan was performed in January 2023.
    - Hillis-Carnes overlaid the results of scans with proposed VSC locations which lead to their recommendation of Compaction Grouting to support aggregate pier foundation system.
      .
- Compaction Grouting efforts were performed in April/May 2023 to stabilize potential voids/soft soils below aggregate piers or under spread foundations.

- General Contractor had underperformed
    - PJ Dick/CNC struggled with getting an approval for the ground improvement design.
    - A partial approval for a select area was received in May 2023. In total there were seven (7) iterations of the submittal with the most recent received in September 2023.

    - PJ Dick’ s subcontractor, CNC, successfully installed the test piers in late February 2023 without submittal approval and installed the aggregate piers in the area with partial approval and ceased work and demobilized at the end of June 2023, they have not returned to the site.

        - Note: CNC did not have the equipment to drill through the known sub-surface rock.
        - PJD brought in Shelly Drilling Company to pre-drill 24" diameter holes at the anticipated locations of the aggregate piers.
            - The predrilled holes were loosely backfilled, exposing the site to water infiltration.
            - This was a critical error of method by the General Contractor, and their lack of site control negatively impacted the subsurface conditions.
            - Despite numerous notifications, PJD failed to maintain the site in order to mitigate development of sinkholes.
            - The site remained un-stabilized from July 2023 until January 2024 when PJD Dick remobilized to stabilize the site.
            - By contract the site should be stabilized after four (4) days of no work.
            - During this time several sinkholes developed along with several areas of subsidence due the lack of efforts to control surface water.
    - Shelley concluded pre-drilling efforts in early July 2023, and have not returned the site. (Grouting was done prior to aggregate pier installation)
    - PJD claimed the subsurface conditions differed from what was described in the bid documents and the aggregate pier system was not suitable for the site conditions.
        - Requests were made to fully understand the engineering position that the GC was taking.
            - They had no engineering analysis to support their position.

- County pushed for solution
    - In an effort to move the project along and provide data to show the conditions on site were suitable for aggregate piers, Lehigh County engaged Hillis Carnes to perform additional geotechnical site exploration at each foundation location to verify sub-surface conditions and the potential feasibility of an aggregate pier installation.
        - Approximately 115 additional borings were conducted which included a combination of DCP and SPT borings.
            - Dynamic Cone Penetrometer, or DCP, is a tool used for evaluating the strength of soils on site. It also helps with monitoring the condition of granular layers and subgrade soils in pavement sections over time. It can be used to determine the right solutions for the sites, especially when soft soils are involved.
            - Standard Penetrator SPT testing is most widely used to check various parameters and properties of soil on the construction site. For any building foundation, design and construction soil testing are essential.

The test is extremely useful for determining the bearing capacity, density, and angle of shearing resistance of any soil. It can be used to determine the properties of cohesive and cohesion-less soil.

- Based on this information, Hillis Carnes, the geotechnical engineer of record, determined that grouted aggregate piers would have been a viable solution at the vast majority of foundation locations.
  - This recommendation was based on the soil conditions observed at the boring locations and lack of voids.
  - The findings were presented to PJ Dick and discussed at subsequent meetings at the end of last year. Ultimately, PJ Dick continued to dispute the viability of the aggregate pier ground improvement system.
    - PJD showed no engineering support for their position.

- To move the project forward
  - Due to the continued project schedule delays and limited to no productive work onsite, Lehigh County contemplated the notion of an alternative ground improvement system.
    - Rigid Inclusions were proposed as an alternate approach which is similar in nature to grouted aggregate piers.
    - The general contractor's specialty contractor, Menard, is completing the delegated design of the rigid inclusions which will consist of a combination of grouted piers and grouting to fill potential voids and stiffen loose soils.
    - The design submittal is expected at the end of May 2024 (and the GC was late to secure this design) which will be reviewed by the County's design professionals to confirm compliance with the contract documents.
  - Issue of concern: time delay and change order to meet the new design
  - County engineered a ground improvement plan using Menard as the construction vendor.
    - Menard fully processed the required methods and procedures to complete the ground improvement plan.
    - Structural engineering was consulted and verified the methods and procedures to complete the ground improvement plan.
    - County issued a Contract Directive to PJD to complete the ground improvement plan.
      - Directive was for ~$2.5m and this change was approved by the BOC.
    - Ground improvement plan was completed in the third quarter of 2024.
    - County issued change orders for the two professional services contractors, (A&E and CM) to continue services through January of 2026.
  - Project is back on plan to meet the critical path for completion.

- Still required, we need to finalize the credit for the improvement plan, as not all schedule of quantities were used.

- Next step
    - Currently we have engaged Law and are creating a County "reservation of rights" to debate schedule and delay impact until after the project is completed
        - PJD has tentatively agreed to the reservation right plan
        - This will permit us to get back on scheduled, complete the project and then address the delay claims
            - Delay claims can be from them to us
            - Or, from us to them
                - In our contract, we do have liquidated damage delay claim opportunities

Q7. What are the project funding sources current and future?

- Funding options
    - finance
        - via bond
        - via general funds
        - via grants
        - via specialty revenue (PennDOT)
        - American Rescue

Cedarbrook New Wing

Thru September 9, 2025

Budget Source	Total	Expensed	Encumbered	Unallocated
2019 Bond	$ 48,120,114.00	$ 22,054,793.95	$ 24,644,507.12	$ 1,420,812.93
American Rescue	$ 22,896,685.00	$ 7,858,761.15	$ 13,365,933.33	$ 1,671,990.52
Fed Grant	$ 525,000.00	$ -	$ -	$ 525,000.00
Total:	$ 71,541,799.00	$ 29,913,555.10	$ 38,010,440.45	$ 3,617,803.45

Expensed is defined as spent to-date. Encumbered is unspent but committed via contract. Unallocated is the total budget amount but not under contract nor spent.

Q8. Given the timeline and description of construction issues encountered and detail of contract change orders required would you describe how change orders are handled?
Change Orders are tracked and we have contractual conditions to meet:

- all change orders are vetted by the A&E, and the CM, as well as our engineering team; and
- we have specific contractual obligations, and need commissioner approval to execute additional spending.

All change orders are officially processed, and routed through Procurement for processing. This procedure permits internal controls to review and accept changes. Change orders have specific Administrative Code requirements and Procurement will review those requirements as part of their review. If a change order requires additional approvals beyond the project team, legislative action is created and BOC approval is obtained.
Construction change orders are primarily from two sources. One, time delay of the project and our need to properly inventory equipment and supplies purchased to maintain the critical path schedule. Two, the ground improvement plan to ensure sub surface conditions are conducive to the structural integrity of the new facility
Professional services change orders are primarily due to supporting the ground improvement solution and the additional timing to meet the schedule.

Q9. How do you monitor the current % completion estimated total cost of completion, current unresolved issues / challenges?
We received an updated high-level project review each month. This is a topside project review, and not a specific review of project issues. Completion percentage and completion date are under dispute. According to a memo to P J Dick dated August 22, 2025 (see Exhibit 19), the scheduled final completion date is stated as September 8. 2026. However, key performance indicators do not support timely completion.

Q10. Comment on the expected project construction time line, project completion date. Do you have any other closing comments?
The critical path to completion has been problematic. We continue to be underwhelmed by the General Contractor (PJD), and their inability to deliver a quality schedule. Our requests and noted dissatisfaction have been documented. Again, this will be critical as we close our reservation of rights legal initiative.
I've attached the current schedule from PJD, and although I continue to be disappointed, it's the schedule that we have…

In an effort to demonstrate the financial update of the project, I have compiled a snapshot report that reviews the delta between 2025 (Current budget need) and 2021 (actual first official budget), and the 2016 (engineering estimate of potential costs).

A large increase in construction costs was the initial delay from the engineering estimate to the actual bidding process for construction costs. That delay in timing was significant construction escalation expense that created the initial delta between original budget and estimate.

The report does show the impact of site conditions, and how the project delay impacts have affected owner costs.

Site conditions, and design planning to ensure karst conditions were successfully managed, added expense to the project. We continue to monitor those expenses that are related to the delay and that will be part of our reservation of rights claim.

Controller Closing Remarks:

The discussion above is only a summary of the events since initial discussions commenced in 2013. Since the project went into development there have been significant challenges due to soil condition, climate impact, and Covid-related and contractor-related timing and performance delays that have resulted in significant project issues affecting cost and project scheduling. The Director of General Services, the Commissioners and Fiscal Office management continues to support and monitor the successful completion of this necessary investment in upgrades to the Cedarbrook facility. **For a more comprehensive discussion and exhibits, please refer to the Controller's Office website.**

The Controller's Office will continue to review the financial activity and monitor compliance to the established administrative requirements and report to the taxpayers the status of the project.

I wish to thank all of the County elected officials and the employees who manage the Cedarbrook project, especially Rick Molchany, who continues to provide leadership throughout all facets of the project.

Mark Pinsley, County Controller

XC: Phillips Armstrong, County Executive
Board of Commissioners
Edward Hozza, Director of Administration
Richard Molchany, Director of General Services
Tim Reeves, Fiscal Officer

The following dialogue is the unabridged version of a collection of discussions and questions and answers between the Director of General Service, Rick Molchany and Mark Pinsley, County Controller. The exhibits referred to below are also included at the end of the Q&A shown below.

Cedarbrook Facility Upgrade Plan

9.21.25

Rick Molchany

Q1: Some background, # of beds prior to project and the physical conditions that required project initiation and improvement of quality-of-care issues.

The project was complex, and was initiated by Lehigh County Board of Commissioners in late 2013. The financials for Cedarbrook were alarming, and underperforming; thus, the BOC commissioned a business review audit. This audit was completed by Complete Healthcare Resources. The report is attached as exhibit 1.

The report was comprehensive, and listed a variety of business factors for consideration. The purpose of the study was to determine available options for the future operation of the county nursing facilities. The Facilities operated at a loss of $3,773,600 in 2012 and approximately $4,674,000 in 2013, prior to the transfer from the Operating Fund. The financials, without IGT (intergovernmental transfer) revenue was underperforming and unable to cease dependency of the County general fund subsidy.

The aged physical plant at the Allentown facility is the primary issue that must be addressed under all options. The Allentown facility which houses the majority of the licensed beds, is outdated and lacks basic amenities expected by the current and future generations seeking nursing facility care. Cedarbrook Allentown is the only facility in the market with 3 and 4 bed rooms with no bathrooms in the resident rooms.

Six choices for future business operations were presented (three operational, and three ownership):

- Continue existing operations under County Ownership
    - Not a preferred option, largely due to not achieving financial success
- Implement revenue enhancement - expense reductions
    - Not an “only option” and must be considered for every option going forward
- County builds replacement facility for Cedarbrook Allentown
    - Option required extensive financial review
- Lease the facility to New Operator (with potential replacement facility)
- Transfer facility to community based 501(c)(3) non-profit
- Sell facility to New Operator

Summary evaluation was reviewed.

The nursing facilities operate under one license and a budget that encompasses two separate operating locations. The facilities are dually licensed by the Pennsylvania Department of Health and the Centers for Medicare and Medicaid Services representing a combined total of 670 licensed beds. Cedarbrook Allentown is located at 350 South Cedarbrook Road Allentown, Pennsylvania 18104, and Cedarbrook Fountain Hill at 724 Delaware Avenue Bethlehem, Pennsylvania 18015.

The Allentown facility has become undesirable in the market due to the age and condition of the facility. The facility presents with an outdated floor plan of triple and quad rooms with communal toilet and bathing facilities on each unit. This is the primary cause of the occupancy and revenue decline.

Though the facility provides quality care by quality care providers, it does not outweigh a potential residents' desire for the comforts of home including private or semi-private rooms, in-room bathrooms, phone, television and internet service. The last two decades have caused the nursing home industry to embrace major changes in the lifestyle expectations of the incoming consumers.

The Board of Commissioners was interested in finding solutions where the County would remain the facility owner. To do that, we evaluated several financial options that would be realized from the three alternate ownership models. The financial models didn't stimulate a clear and concise alternative ownership model; therefore, we approached a plan to maintain ownership, but improve the physical facility to stimulate revenue opportunities.

Our goal was to grow revenue, not in an effort to complete with private homes, but to generate the needed financials to maintain the safety net for those County constituency that are most at risk.

First plan was to evaluate the creation of a short-term rehabilitation facility. We created a plan to convert D2 wing into a short-term rehabilitation wing. The financials were evaluated, and we could achieve a return on our investment. See exhibit 2.

The single wing renovation was discounted, largely due to the fact that we believe more revenue was on the table if we considered a larger facility rebuild.

To evaluate that opportunity, a large facility audit was conducted with Roth Marz Architects. The audit is included as exhibit 3.

Purpose: To conduct an analysis of the facility's existing buildings, interior and exterior, along with the facility's site elements and offer opinions and recommendations related to observed deficiencies, repairs, replacements and improvements.

The existing main facility is composed of multiple wings and additions, including:

- A Wing: Constructed in 1958 and renovated into assisted living apartments in 2002.
- B Wing: Constructed circa 1925 with multiple renovations.
- Center Building: Constructed circa 1925 with multiple renovations including kitchen renovation and kitchen addition in 1995.
- C Wing: Constructed circa 1925 with multiple renovations.

- D Wing: Constructed in1970 with multiple renovations.
- Laundry Building was constructed in 1973.
- Boiler House was constructed in the 1920's and renovated in 1961 and 2004.

The scope of work to achieve the audit was created, and used to contract with Roth Marz. See exhibit 16.

Specific metrics related to wing bed counts and square footage were reported.

Facility improvement Options were presented for review. Options included: See exhibit 4.

Our evaluation were six options, and were from simply renovating and updating existing facility to a complete the construction of a new facility. We created a financial review of the options, to determine which option provided the best financial return. See exhibit 5.

This financial evaluation lead us towards the option to build a 4 story, 240 bed addition on the Cedarbrook campus, and renovate the existing facility to include apartments, and D wing improvements.

Our project needs were to maintain 670 Medicare and Medicaid certified beds. Maintain the current facility to support functions that can be shared (i.e.: Auditorium, Chapel, Kitchen). Create a security net for those who need it, and currently 90% of our residents are in need. Build on site to reduce land acquisition fees, and maintain the benefit of transportation grid logistics. Develop financials to support the mission, by creating private pay or additional Medicare residents. Permit Cedarbrook to be sustainable without the continuing County subsidy contribution.

To gain a better understanding of the financials for Cedarbrook, I evaluated the Berks County Berks Heim Skilled Nursing Facility audited financials. See exhibit 6.

From that audit, I crafted a financial comparison plan between Berks Heim and Cedarbrook. This analysis was created to prove the ability to grow revenue with facility improvements. See exhibit 7.

Projects of this size take years to evaluate and execute. Some general thoughts for this project are:

- Large Projects
    - take years for significant projects
        - five-year capital plan
            - if it isn't contained in the plan, it can't be listed in the budget
            - BOC approval required
    - needs vs. wants
        - every department wants, but what is the key need
        - can we identify that need, service for who
        - will citizens be positively affected
        - will taxpayers' support
    - value created
        - opportunity for revenue growth
        - opportunity to serve citizens more efficiently
        - can we capture metrics to identify the opportunity
    - funding

        - expense lists are easy; however, funding opportunity is the challenge
        - funding via a number of sources
            - grants
            - debt service
            - general fund
            - special fund
            - bridge fund
            - parks fund
            - Cedarbrook fund
            - State fund

The project was discussed at a BOC public meeting, and the following specifics were clarified. See exhibit 15.

Q2. Project proposal / approval process. Options considered / RFPs issued and decision-making on project scope.

- Architecture and Engineering
    - contract via professional services
    - this contract will involve
        - scope of work
        - design (preliminary and final)
        - directional schedule
        - represent and recommend construction vendor selection
        - manage the A&E during the project
        - act as our representative for construction vendor's request for information
        - manage and recommend changes to the scope of work
    - approved by BOC
        - changes or adds to their contract require BOC approval

- Construction Manager
    - contract via professional services
    - contract will involve
        - scope of work
        - verify design
        - cost the design
        - create directional schedule (with A&E)
        - represent and recommend construction vendor selection
        - manage the construction vendors during the project
        - act as our representative for construction vendor's request for information
        - manage and recommend changes to the scope of work
        - verify via inspection scope of work compliance
            - approve and recommend construction vendors pay requests
    - approved by BOC
        - changes or adds to their contract require BOC approval

To create the A&E and Construction Management/Inspection professional services contracts, I created a scope of work for procurement needs. See exhibit 8 and 9.

The Request for Proposals followed the County Administrative Code for procurement.

Once we completed the RFP process, we evaluated the qualified vendor submissions. See exhibit 10, and 11.

Prior to final selection, two vendors were brought in for predetermined questions. This was an additional step to verify our decision. See exhibit 17.

Vendors were selected. To officially engage and accept the proposals, we created legislative action for the Board of Commissioners to approve the Professional Services Contracts.

Professional Service contracts for design services and construction management were BOC approved and signed by the County Executive. See exhibits 21 and 22.

Q3. Brief chronology of project engineering / planning / planning recognition of ground stability issues

With the Professional Services Agreements approved, we started the process of creating facility design. Facility design was specified in the contract, and our A&E vendor began to create the new wing facility. This process was extensive. Site evaluation, along with reviews of current zoning and permitting requirements were evaluated. The facility design was a function of several working meetings with various Cedarbrook departments. The design encompassed their needs for managing a successful skilled facility. We ensured that no rooms would have more than two residents and all rooms will contain full restrooms.

Note, this process was deeply influenced by Covid 19, as we had to conduct most of our design meetings remotely.

Bid packages for the prime vendors (from General Contractor, Electrical, Mechanical, HVAC, Plumbing, Fire Protection) were developed. The bid packages became the basis for Procurement, in accordance with Administrative Code, to seek construction bids.

Bids were received, and vendors were selected with the recommendation of the A&E, and CM teams.

Q4. Initial cost estimate phases, expected project construction time line, project completion date. Evolution of project modifications during construction affecting project cost and contingency amount.

Effect of Covid on project pricing.

For the purposes of project evaluation, the County requested several cost estimates from A&E, and Construction Manager professionals.

The first estimate was completed by Roth Marz via their audit of our facility needs. See exhibit 12. This analysis was a general directional estimate, and not to be confused with a structured financial plan. This was completed without fully developed design and the creation of prime contractor bid documents. The project estimate was $46,618,476.

The second estimate was completed by Skanska, via their audit of our facility post design. See exhibit 13. Their analysis was a general directional estimate, and not to be confused with a structured financial plan. From that estimate, we needed to add the "already completed first phase of the construction plan" or $915,689. This will describe the initial total construction and owner expense obligations for this project. The project estimate was $63,596,255.

The second estimate was a more complete representation of the actual directional costs and we noticed a large delta from the original cost estimate. Skanska produced this based upon a 75% accuracy estimate of confidence. This is what they do to "hedge" unknowns.

In addition to the construction and professional services expense, we need to identify and secure funding for the non direct expenses. Such as:

- Identify the budget for items outside of construction and A&E
    - permits
    - temp power
    - insurance
    - fees for zoning
    - furniture, fixture and equipment
    - temp rental
    - legal for appraisal and recording
    - site security
    - testing and inspection
    - moving
    - environmental (asbestos)
    - land acquisition
        - survey

At this point, the data obtained from the updated cost estimate was used to determine funding options to complete the project.

Only after we received the vendor bids for the respective design work, were we in a position to determine the project budget. The original budget for construction and professional services was $59,643,171.00, with owner cost estimates of $3,112,576.74, for a total of $62,755,747.74.

Covid had a negative pricing affect on this project. All supply logistics were challenged, and Skanska estimated the year over year construction impact was double a normal year. In our case, the planning projection was 5-6% year over year increases (with some equipment even more increases) versus a more traditional 3% increase. Although Covid, the pandemic, has subsided, the effects to our construction plans have not. We continue to see labor shortages, supply chain logistics and outrageous price increases.

- Unique challenge that occurred for Cedarbrook project
    - Covid19
        - we had extreme concerns with A&E during covid, and the lack of ability to meet on site
        - requirements for testing
        - requirements for vaccination
        - shut down due to exposures
        - supply chain shortfalls
        - vender labor shortfalls
        - prices exploded

- we monitor industry wide construction cost estimates
- cost estimates are normally 3% year over year
- many covid estimates exceeded 10-20% for many supply chain items
- schedule drives budget
- if equipment is held up, we have concern for schedule compliance
    - schedule compliance may cause delay claims
        - overhead costs, mobilization, etc.
- schedule
    - four week look ahead
    - critical path
        - critical path is the all-encompassing schedule that takes into account all aspects for the project
        - equipment lead time
        - concreate curing
        - this before that
        - etcetera

Q5. General contractor / other contractors' selection / original contract amounts. How/why the general contractor / other contractors were selected.

Contractors were selected following normal, approved and in compliance with County Administrative Code requirements.

- <u>Construction Vendors</u>
    - General Contractor
        - GC is responsible for the coordination of the schedule
            - via bid from the A&E and CM scope of work (design)
            - i.e.: carpentry, non unique vendor
            - site work
    - Prime Contractor
        - Primes are contracted with the County, not the GC (this is the way public projects are bid, and managed)
        - responsible for the coordination of their unique portion of the project
            - via bid
            - i.e.: fire protection, electrical, hvac, plumbing, mechanical
    - These contractors have been deemed qualifiable
        - Local labor, RCO, no tax or legal concerns, ability to complete scope of work
    - These contractors are awarded the contract based upon competitive bid process
        - The bids are reviewed by the A&E, and CM and County leadership
        - Winning bidders are contracted

The original vendor contract values, along with change order values are in exhibit 14.

Q6. Timeline / description of construction issues encountered and detail of contract change orders required. Including, planning recognition of ground stability issues.

Cedarbrook Karst Condition Review:

- Design
    - During the building design the **Geotechnical firm (Hillis-Carnes)** was engaged to perform sub-surface exploration (Geotechnical Engineering Study) inclusive of onsite drill borings to confirm soil conditions and provide recommendations on foundation types based on the site geology.
    - The results of the borings confirmed Karst geology at the site and Hillis-Carnes provided recommendations for both deep foundations and shallow foundations on improved ground with some limitations on each foundation system.
    - Additional exploration was recommended regardless of the ground improvement system.
    - A **grouted aggregate pier system** was noted on the structural drawings.

- General Contractor has construction contractual responsibility for the field methods plan
    - The General Contractor is responsible for the design and installation of the ground improvement system.
    - The delegated design is expected to meet a designated criteria called out in the construction documents that would support the building foundation system.
    - The delegated design would be submitted and reviewed for approval by the County's design team.
        - PJ Dick pursued a delegated design for **grouted aggregate piers** which was the ground improvement foundation method chosen for the project.
        - PJ Dick hired a sub-contractor (CNC) to design and install grouted aggregate piers.

- Design discussion began early 2022 with the first delegated **design submission** received and returned in March 2022. (Due December of 2021)
    - Conversation resumed in October 2022. The delegated design contractor was concerned with potential voids below the aggregate piers. These concerns could not be confirmed without additional exploration measures taking place (previously recommended in the geotechnical report).
    - The GC engaged Hillis-Carnes to perform additional subsurface exploration efforts **(Electrical Resistivity (ER)** - Geophysical Study) to evaluate the general subsurface geologic and potential Karst features as they related to the aggregate pier design.
        - The purpose of the **ER Survey was to determine general characteristics of the subsurface, confirming anomalies were not present**.
        - The ER scan was performed in **January 2023**.
        - Hillis-Carnes overlaid the results of scans with proposed VSC locations which lead to their recommendation of Compaction Grouting to support aggregate pier foundation system.
    - Compaction Grouting efforts were performed in April/May 2023 to stabilize potential voids/soft soils below aggregate piers or under spread foundations.

- General Contractor had underperformed
    - PJ Dick/CNC struggled with getting an approval for the ground improvement design.

- A partial approval for a select area was received in May 2023. In total there were seven (7) iterations of the submittal with the most recent received in September 2023.
- PJ Dick' s subcontractor, CNC, ***successfully installed the test piers in late February 2023 without submittal approval and installed the aggregate piers in the area with partial approval*** and ceased work and demobilized at the end of June 2023, they have not returned to the site.
    - Note: CNC did not have the equipment to drill through the known sub-surface rock.
    - PJD brought in Shelly Drilling Company to pre-drill 24" diameter holes at the anticipated locations of the aggregate piers.
        - The predrilled holes were loosely backfilled, exposing the site to water infiltration.
        - This was a critical error of method by the General Contractor, and their lack of site control negatively impacted the subsurface conditions.
        - Despite numerous notifications, PJD failed to maintain the site in order to mitigate development of sinkholes.
        - The site remained un-stabilized from July 2023 until January 2024 when PJD Dick remobilized to stabilized the site.
        - By contract the site should be stabilized after four (4) days of no work.
        - During this time several sinkholes developed along with several areas of subsidence due the lack of efforts to control surface water.
- Shelley concluded pre-drilling efforts in early July 2023, and have not returned the site. (Grouting was done prior to aggregate pier installation)
- PJD claimed the subsurface conditions differed from what was described in the bid documents and the aggregate pier system was not suitable for the site conditions.
    - Requests were made to fully understand the engineering position that the GC was taking.
        - They had ***no engineering analysis to support their position***.

- County pushed for solution
    - In an effort to move the project along and provide data to show the conditions on site were suitable for aggregate piers, Lehigh County engaged Hillis Carnes to perform additional geotechnical site exploration at each foundation location to verify sub-surface conditions and the potential feasibility of an aggregate pier installation.
        - Approximately 115 additional borings were conducted which included a combination of DCP and SPT borings.
            - Dynamic Cone Penetrometer, or DCP, is a tool used for evaluating the strength of soils on site. It also helps with monitoring the condition of granular layers and subgrade soils in pavement sections over time. It can be used to determine the right solutions for the sites, especially when soft soils are involved.
            - Standard Penetrator SPT testing is most widely used to check various parameters and properties of soil on the construction site. For any building foundation, design and construction soil testing are essential.

The test is extremely useful for determining the bearing capacity, density, and angle of shearing resistance of any soil. It can be used to determine the properties of cohesive and cohesionless soil.

- Based on this information, Hillis Carnes, the geotechnical engineer of record, determined that grouted aggregate piers would have been a viable solution at the vast majority of foundation locations.
  - This recommendation was based on the soil conditions observed at the boring locations and lack of voids.
  - The findings were presented to PJ Dick and discussed at subsequent meetings at the end of last year. Ultimately, PJ Dick continued to dispute the viability of the aggregate pier ground improvement system.
    - PJD showed ***no engineering support*** for their position.

- To move the project forward
  - Due to the continued project schedule delays and limited to no productive work onsite, Lehigh County contemplated the notion of an alternative ground improvement system.
    - Rigid Inclusions were proposed as an alternate approach which is similar in nature to grouted aggregate piers.
    - The general contractor's specialty contractor, Menard, is completing the delegated design of the rigid inclusions which will consist of a combination of grouted piers and grouting to fill potential voids and stiffen loose soils.
    - The design submittal is expected at the end of May 2024 (and the GC was late to secure this design) which will be reviewed by the County's design professionals to confirm compliance with the contract documents.
  - Issue of concern: time delay and change order to meet the new design
  - County engineered a ground improvement plan using Menard as the construction vendor.
    - Menard fully processed the required methods and procedures to complete the ground improvement plan.
    - Structural engineering was consulted and verified the methods and procedures to complete the ground improvement plan.
    - County issued a Contract Directive to PJD to complete the ground improvement plan.
      - Directive was for ~$2.5m and this change was approved by the BOC.
    - Ground improvement plan was completed in the third quarter of 2024.
    - County issued change orders for the two professional services contractors, (A&E and CM) to continue services through January of 2026.
  - Project is back on plan to meet the critical path for completion.
  - Still required, we need to finalize the credit for the improvement plan, as not all schedule of quantities were used.

- Next step
    - Currently we have engaged Law and are creating a County ***"reservation of rights"*** to debate schedule and delay impact until after the project is completed
        - PJD has tentatively agreed to the reservation right plan
        - This will permit us to get back on scheduled, complete the project and then address the delay claims
            - Delay claims can be from them to us
            - Or, from us to them
                - In our contract, we do have liquidated damage delay claim opportunities

- Glossary Terms
    - Karst
        - landscape underlain by limestone which has been eroded by dissolution, producing ridges, towers, fissures, sinkholes and other characteristic landforms.
    - Borehole
        - Borehole investigation is the process of drilling a hole in the ground and collecting data on the subsurface conditions of the area. This data is used to determine the properties of the soil, rock, and water in the area, as well as any potential hazards or risks that may exist.
    - Electrical Resistivity
        - Electrical resistivity surveys are geophysical techniques used to measure the subsurface electrical resistivity of soils and rocks. The method involves injecting an electrical current into the ground and measuring the resulting voltage. By understanding how materials resist the flow of electrical current, geophysicists can infer the subsurface composition and identify features such as bedrock, water tables, and geological structures. This information is crucial in various fields, including environmental studies, civil engineering, archaeology, and hydrogeology**.**
    - Soft Soils
        - Soft soils occur in many parts of the world. Their specific properties such as large void ratio, high water content, high compressibility, low shear strength, low permeability, and special structural features require significant attention for analysis, design, and maintenance of geotechnical structures founded on them.
            - Management: When designing and constructing a superstructure's foundation, the enhancement of soft ground conditions can often eliminate the need for a deep foundation. Specialty

contractors routinely improve the performance of the ground by compacting, reinforcing, or fixing soil masses and particles.

- Compaction grouting is most effective in free-draining granular soils and low sensitivity soils. The process is known to reduce settlements in collapsible soils, eliminating sinkhole potential. The method can also stabilize existing sinkholes in karst regions.
- Columns of compacted, gravel size stone particles are constructed vertically in the ground. The columns improve the performance of soft or loose soils via densification of surrounding granular soil and reinforcement of the soil with a stiffer, higher shear strength column. The stone is commonly compacted with specialty equipment. This method is often used to increase bearing capacity and pre-collapse sinkholes prior to construction in karst regions.
- Reinforcement (rigid) involves constructing concrete columns using a bottom feed specialty equipment, which densifies granular soils and transfers area loads through soft cohesive and organic soils. The method reduces foundation settlements and increases bearing capacity, while also serving as an alternative to piling.
- Compensation grouting (rigid), this method uses a grout slurry to hydro-fracture and inject the soil between the foundation to be controlled and the cause of the settlement, essentially producing a controlled heave of the foundation. This technique can be performed in any soil type and is routinely used to reduce previous settlements or prevent the settlement of structures while underlying tunneling is performed.

- 100 Year Rain Event
  - As defined by the National Weather Service, “a 100-year rainfall event (or more accurately the 100-year rainfall amount for a specified duration and at a given location) is an amount that on average is exceeded every 100 years**,** so its average recurrence interval is 100 years.” This means that it has a 1% chance of occurring in any given year.
  - As the atmosphere warms it can hold more moisture, at a rate of 7% more moisture for every degree of warming. On a simple level, this explains why in many regions of the world projections show an increase in precipitation as a consequence of climate change.
    - In the simplest sense, any precipitation falling onto a karst landscape will infiltrate downwards through the soil towards the soil/bedrock contact, and then the water is likely to continue vertically down through the many small fractures or conduits in the karst bedrock.

- Engineering decision
    - The solution to this is a technical review and needs engineering "sign offs" based upon data
    - The data has been gathered, and choices are being vetted to determine the correct solution
        - Solution includes change order costs and schedule impact
    - Construction vendors are specialists and are experts in this type of soil condition actions

Q7. Project funding sources current and future.

- Funding options
    - finance
        - via bond
        - via general funds
        - via grants
        - via specialty revenue (PennDOT)
        - American Rescue
            - American Rescue is an option for project to meet government services
            - American Rescue has quarterly reporting requirements
            - American Rescue has a Steering Committee
                - Exec, me, Geoff, Jon, Antonio, Tim
                - develop budget
                - budget is approved by the BOC
                    - if we are creating contracts for professional services, we seek BOC approval
                    - if we are creating purchases for bid items
                        - they need to meet the admin code for procurement

To evaluate a project this large, multiple funding sources may be used to complete the project. The initial plan called for the following financial funding support.

Cedarbrook New Wing

Thru September 9, 2025

Budget Source	Total	Expensed	Encumbered	Unallocated
2019 Bond	$ 48,120,114.00	$ 22,054,793.95	$ 24,644,507.12	$ 1,420,812.93
American Rescue	$ 22,896,685.00	$ 7,858,761.15	$ 13,365,933.33	$ 1,671,990.52
Fed Grant	$ 525,000.00	$ -	$ -	$ 525,000.00
Total:	$ 71,541,799.00	$ 29,913,555.10	$ 38,010,440.45	$ 3,617,803.45

In addition to the original funding plan, we were awarded a grant from US Senator Casey for $525k. That money has been received.

As I continue to monitor the financials required to complete the project, I have identified opportunities from funding in the 2023 bond that is being underspent of approved projects. This is all under review, and not officially presented for BOC approvals.

Q8. Timeline / description of construction issues encountered and detail of contract change orders required.

- <u>After the bid and costs outside of Construction are identified the budget is established</u>
    - This is critical and built into our planning
        - Bid contains the scope of work, the schedule of values and options
    - Any changes or upgrades, or adds or deletes must be thoroughly vetted
    - County established a contingency fund for suspected additional needs
        - Contingency plan is subject to Administrative Code requirements

- <u>Change Order vs. Allowance</u>
    - Allowance is part of the project (we commission for the scope of work, plus the addendums)
    - Change Order is not part of the project, and need to be evaluated on a case-by-case basis
        - items for example
            - Courthouse project
                - we added the cupula
                - fortified the structure for library shelving support
                - fortified the foundation, added grout concrete slurry to close potential karst voids
            - Cedarbrook
                - Site karst upgrade
                    - do we need to add grout to secure foundations
                - Upgrades to utility site delivery
                    - LCA water line under roadway created a scope change for road construction to manage collateral storm water system
            - In other cases, we add based on upgrades to improve future performance
                - add an additional power distribution panel
                - add security cameras and door access systems

    - Change Orders are tracked and we have contractual conditions to meet
        - all change orders are vetted by the A&E, and the CM, as well as our engineering team
        - we have specific contractual obligations, and need commissioner approval to execute additional spending

All change orders are officially processed, and routed through Procurement for processing. This procedure permits internal controls to review and accept changes. Change orders have specific Administrative Code requirements and Procurement will review those requirements as part of their review. If a change order requires additional approvals beyond the project team, legislative action is created and BOC approval is obtained.

Construction change orders are primarily from two sources. One, time delay of the project and our need to properly inventory equipment and supplies purchased to maintain the critical path schedule. Two, the ground improvement plan to ensure sub surface conditions are conducive to the structural integrity of the new facility.

Professional services change orders are primarily due to supporting the ground improvement solution and the additional timing to meet the schedule.

Note: we have not accepted the schedule delays, and this will be evaluated and reconciled during the post project "reservation of rights" legal process. Our intent is to seek financial support for the schedule delay claims that have been process to date, or may be processed in the future as we complete the project.

Q9. Current % completion estimated total cost of completion, current unresolved issues / challenges.

We received an updated high-level project review each month. This is a topside project review, and not a specific review of project issues. I've attached the July, 2025 as exhibit 18.

Q10. Initial cost estimate phases, expected project construction time line, project completion date.

The critical path to completion has been problematic. We continue to be underwhelmed by the General Contractor (PJD), and their inability to deliver a quality schedule. Our requests and noted dissatisfaction have been documented. Again, this will be critical as we close our reservation of rights legal initiative.

I've attached the current schedule from PJD, and although I continue to be disappointed, it's the schedule that we have… I've included it in exhibit 19.

Reservation of rights is a construction tool to keep the project moving toward completion, and an agreement to review and seek actions at the end of the project. The largest schedule impact was the sub surface ground improvement plan, and that is the basis of the reservation of rights. We believe the contractor created delays and did so without a substantiated engineering foundation. Our engineering was consistent through the design and execution of the sub surface conditions. We do agree that certain elements of supplies were added to the project to ensure the facility structural stability. These added components could have been accomplished without negatively affecting the schedule.

I've included the reservation of rights agreement as exhibit 20.

Finally.

In an effort to demonstrate the financial update of the project, I have compiled a snapshot report that reviews the delta between 2025 (Current budget need) and 2021 (actual first official budget), and the 2016 (engineering estimate of potential costs).

A large increase in construction costs was the initial delay from the engineering estimate to the actual bidding process for construction costs. That delay in timing was significant construction escalation expense, that created the initial delta between original budget and estimate.

The report does show the impact of site conditions, and how the project delay impacts have affected owner costs.

Site conditions, and design planning to ensure karst conditions were successfully managed, added expense to the project. We continue to monitor those expenses that are related to the delay and that will be part of our reservation of rights claim. See exhibit 23.

EHXIBIT 1

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Executive Summary

Complete HealthCare Resources-Eastern, Inc. was contracted by the county of Lehigh Pennsylvania to conduct a study of the Cedarbrook Nursing Facilities, Allentown and Fountain Hill (collectively, the "Facilities"). The purpose of the study was to determine available options for the future operation of the county nursing facilities. The Facilities operated at a loss of $3,773,600 in 2012 and approximately $4,674,000 in 2013, prior to the transfer from the Operating Fund. Lehigh County realizes the escalating losses are not sustainable long term.

Current operations were assessed at both facilities to identify opportunities for financial improvement through expense reductions and revenue enhancements. Both facilities have implemented strong expense controls and continue to focus on census development and revenue enhancements. The assessment has identified some areas that could achieve additional savings and revenue enhancements. The barrier to obtaining a break even budget is the impact on census generation related to the marketability of the physical plant at the Allentown facility.

We reviewed several options for Lehigh County to consider as part of the long term planning for the Cedarbrook nursing facilities. The aged physical plant at the Allentown facility is the primary issue that must be addressed under all options. Census revenue is the key factor negatively impacting the operations. The Allentown facility which houses the majority of the licensed beds, is outdated and lacks basic amenities expected by the current and future generations seeking nursing facility care. When the facility was originally constructed, the population expectations were very different than they are today. Cedarbrook Allentown is the only facility in the market with 3 and 4 bed rooms with no bathrooms in the resident rooms. This, along with

appearance and layout, make this facility increasingly undesirable when there are many other options available within the market. As such, most options explored include replacing the existing Allentown building.

Further detail identifying specific findings is located in the Options and Departmental Sections of this report. The following is a summary of options.

OPTIONS

Continued County Ownership

Option 1: Continue existing operations under County Ownership

The county always has the option to continue with the existing operations without any changes. As the County is well aware, this option continues the county burden of providing continued financial support to maintain the current operations.

If the county elects to continue existing operations with no changes, the following table shows the 2012 and 2013 operating results and the projected three year losses with the continued decline in census. The required transfer from The County Operations funds will increase from approximately $4.7 million required for break-even operations noted in the 2013 county financials to approximately $7.1 million in 2016 if no operational changes are implemented. The increasing losses over the period are the result of:

- Declining census due to the physical plant limitation and changes in consumer demand
- Flat or slowly increasing reimbursement, particularly Medicare and Medicaid
- Increasing employee wages and benefits (including health and pension) at levels higher than reimbursement increases

Table 1

Lehigh County Facilities Summary Financial Trend **Option 1 - No Changes**	Actual 2012	Actual 2013	Projected 2014	Projected 2015	Projected 2016
Revenue	$63,449,309	$59,963,860	$61,163,137	$62,386,400	$63,634,128
Operating Expenses					
Wages and Benefits	43,973,459	43,921,403	45,239,045	46,822,411	48,695,308
Other Operating Expenses	17,117,239	15,021,809	15,322,245	15,628,690	15,941,263
Management Fee - Admin & Dietary	631,373	615,572	627,884	640,441	653,250
Total Operating Expenses	61,722,072	59,558,783	61,189,173	63,091,542	65,289,821
Net Operating Income Before County Indirec	1,727,237	405,077	(26,036)	(705,142)	(1,655,693)
County Indirect	3,624,733	4,038,923	4,477,943	4,612,281	4,750,650
Net Operating Income	(1,897,496)	(3,633,846)	(4,503,979)	(5,317,424)	(6,406,343)
Capital, Bond Debt and Other	1,876,104	1,039,870	1,837,319	961,926	679,600
Net Income before Transfer from Operations	(3,773,600)	(4,673,717)	(6,341,298)	(6,279,350)	(7,085,943)
Transfer from Operations	(3,438,230)	(6,376,755)	(6,341,298)	(6,279,350)	(7,085,943)
Net Income	($335,370)	$1,703,038	$0	$0	$0
Census Days	239,806	230,612	229,459	228,312	227,170
Average Daily Census	657.00	631.81	628.65	625.51	622.38

Option 2: Implement revenue enhancement – expense reductions

If the county elects to make operational changes to improve efficiency noted in this report, and the operational improvements were fully in place by July 1, 2014, the operational losses will be decreased from those noted in Table 1 for the period 2014 to 2016, but county contributions would still be required. The losses would continue to grow due to the factors noted above. The CHR-E review identified operational improvements that would achieve annual improvements of approximately $2,806,000. The following table shows the financial impact:

Table 2

Lehigh County Facilities Summary Financial Trend **Option 2 - Implementation of Recommendat**	Actual 2012	Actual 2013	Projected 2014	Projected 2015	Projected 2016
Revenue	$63,449,309	$59,963,860	$61,478,200	$62,707,764	$63,961,919
Operating Expenses					
Wages and Benefits	43,973,459	43,921,403	43,338,039	42,887,330	44,602,823
Other Operating Expenses	17,117,239	15,021,809	16,385,653	17,798,042	18,154,003
Management Fee - Admin & Dietary	631,373	615,572	627,884	640,441	653,250
Total Operating Expenses	61,722,072	59,558,783	60,351,575	61,325,813	63,410,075
Net Operating Income Before County Indirect	1,727,237	405,077	1,126,624	1,381,951	551,843
County Indirect	3,624,733	4,038,923	4,477,943	4,612,281	4,750,650
Net Operating Income	(1,897,496)	(3,633,846)	(3,351,319)	(3,230,330)	(4,198,806)
Capital, Bond Debt and Other	1,876,104	1,039,870	1,837,319	961,926	679,600
Net Income before Transfer from Operations	(3,773,600)	(4,673,717)	(5,188,638)	(4,192,256)	(4,878,406)
Transfer from Operations	(3,438,230)	(6,376,755)	(5,188,638)	(4,192,256)	(4,878,406)
Net Income	($335,370)	$1,703,038	$0	$0	$0
Census Days	239,806	230,612	230,189	229,353	228,630
Average Daily Census	657.00	631.81	630.65	628.36	626.38

Option 3: County builds replacement facility for Cedarbrook Allentown

As noted in this report, one of the biggest challenges facing the Facilities and the ability to be self-funding, is the physical plant of Cedarbrook Allentown and its ability to attract potential residents including the more profitable short-term rehabilitation resident. This option would result in the identification of the most efficient facility size for a new replacement facility for Cedarbrook Allentown, potentially constructing a smaller, more efficient state-of-the-art facility. This option would require working closely with Pennsylvania Department of Public Welfare (PA DPW) and Pennsylvania Department of Health (PA DOH) and would require several years to implement. Further analysis, including the development of a Financial Feasibility plan would be required for this option.

As it does not appear the county contributions can be fully eliminated under Options 1 and Options 2 noted above, we explored alternative ownership options. These options entail Lehigh County relinquishing full or partial operations of the skilled nursing facilities.

Alternative Ownership Options

Option 4: **Lease the facility to New Operator (with potential replacement facility)**
Option 5: **Transfer facility to community based 501(c)(3) non-profit**
Option 6: **Sell facility to New Operator**

Under each of the three options, Lehigh County could decide to involve both locations (Cedarbrook Allentown and Fountain Hill) or retain the operations of Fountain Hill, while working on a strategy of alternative ownership of the Cedarbrook Allentown location. By doing this, the county retains as part of its mission the operation of a county-owned nursing home, while at the same time addressing the underlying issues of an aging and outdated physical plant at the Cedarbrook Allentown location. Lehigh County officials would need to work closely with DPW for the splitting of the license as that practice has not been approved in the past.

While each option has it merits and removes the county's responsibility to fund operating losses of the facilities transferred to an alternative ownership structure, Option 6 will bring the most proceeds to Lehigh County in the short-run, while Option 5 provides the least proceeds to the county. The Facilities could sell licensed beds currently, but would be likely to receive less proceeds in the long run compared to the sale of the building with the beds, as the licensed beds are significantly more valuable when associated with the real estate.

Below is a summary of the benefits of the various Alternative Ownership options, including retaining the Facilities (through Options 1 through 3).

Table 3

Issue	Keep Facility	Lease Facility	Sell Facility
County has administrative oversight over highly regulated facility	Yes	No	No
County has financial obligation to fund operating losses through county contributions	Yes	No	No
County has obligation to fund capital improvements in facility	Yes	No, “triple-net” lease	No
County benefits from “cash run-off”	No	Yes	Yes
County preserves “mission” of Facility	Yes	Yes (through lease terms)	Yes (through sales agreement)
Freeze of pension plan obligations pertaining to transferred employees who would have new retirement benefits under the new structure	No	Yes	Yes
Facility on tax roll for County real estate taxes	No	Maybe	Yes
Facility on tax roll for School District and local municipality real estate taxes	No	Maybe	Yes
End of new claims for workers compensation	No	Yes	Yes
End of new claims for health insurance	No	Yes	Yes

Benefits to the County:

- Purchase price (if sale) provides funds to the County (less transaction costs) or lease payment "locks-in" annual cash flow
- Elimination of nursing home ownership risk
- Preservation of County mission (through sale or transfer agreement)
- Facility on County tax rolls (under a sale or lease)
- No further funding and/or accruing of pension costs
- Divesture of County nursing facility usually means reduction in County's overall Worker's Compensation exposure
- Typically net Cash to County from run-off of A/R and A/P

Depending on alternative ownership structure, impact on existing employees:

- Retention of substantially all of the existing employees
- Retention of seniority for staff
- Pay competitive wage rate
- Competitive private sector benefit package including a 401(k) retirement plan to replace county pension plan
- Improved take home wages with elimination of "mandatory" Employee County Pension Plan contribution
- Potential pension distribution options

These options are available for further study and exploration once the county decides what path will best support the long term goals for the Lehigh County and its residents.

Assessment Overview

ASSESSMENT

The County of Lehigh located in Allentown Pennsylvania contracted Complete HealthCare Resources-Eastern, Inc. to assess the operations of the County nursing facilities, Cedarbrook Allentown and Cedarbrook Fountain Hill. The purpose of the study was to identify opportunities to increase revenue, decrease expenses or improve overall operations. We will also include options for the future operation of the nursing facilities.

METHOD

The study consisted of an internal document review, external document review, on-site facility assessments which included staff interviews, direct observations and a geographic market area review. Materials for the study were collected from the facility, Lehigh County and government data sites including the Pennsylvania Department of Health and the Centers for Medicare and Medicaid Services. Statistics from similar facilities were utilized for benchmarking purposes.

The team of professionals conducting the study included the following Complete HealthCare Resources-Eastern, Inc. consultants; Chief Operating Officer, Vice President of Financial Management and Business Development, Regional Vice President of Operations, Clinical Service Specialist, Business Development Specialist, Environmental Specialist, Nutritional Services Specialist, Clinical Reimbursement Specialist, Social Services-Activities Specialist and Billing Specialist.

SUMMARY

The nursing facilities operate under one license and a budget that encompasses two separate operating locations. The facilities are dually licensed by the Pennsylvania Department of Health and the Centers for Medicare and Medicaid Services representing a combined total of 670 licensed beds. Cedarbrook Allentown is located at 350 South Cedarbrook Road Allentown, Pennsylvania 18104, and Cedarbrook Fountain Hill at 724 Delaware Avenue Bethlehem, Pennsylvania 18015. The assessment team conducted the internal review of Cedarbrook Allentown on February 19, 2014 and Cedarbrook Fountain Hill on February 20, 2014.

The Allentown facility has become undesirable in the market due to the age and condition of the facility. The facility presents with an outdated floor plan of triple and quad rooms with communal toilet and bathing facilities on each unit. This is the primary cause of the occupancy and revenue decline. The market is flooded with newer nursing facilities that offer private and semi-private resident rooms with in-room bathrooms and specialty units for short-term rehabilitation making the Allentown facility a place of last resort. Though the facility provides quality care by quality care providers, it does not outweigh a potential residents' desire for the comforts of home including private or semi-private rooms, in-room bathrooms, phone, television and internet service. The last two decades have caused the nursing home industry to embrace major changes in the lifestyle expectations of the incoming consumers. Those providers who have embraced the changes and modified their buildings to meet those changes continue to achieve stable census and positive payer mix.

In addition to consumer preferences, the current medical model does not support a post-acute stay that does not afford a patient the ability to have easy and safe access to a restroom. Communal bathrooms that are positioned away from the resident rooms present the following risks from the marketing perspective:

- Increased fall risk due to travel distance to the restroom
- Increased incontinence due to distance and waiting time to use the restroom
- Incontinence leads to increased infections, wounds and skin breakdown
- Stress on residents related to distance, waiting and lack of privacy for restroom use
- Increased risk for infection do to communal toileting and increased exposure

Physicians and hospital discharge planners are focused on quality outcomes, reduction in readmissions and a reduction in infections and falls. This makes Cedarbrook Allentown an undesirable choice when making discharge recommendations for their residents. Since 80+ percent of all nursing home admissions come from the acute care setting, this can have a profound impact on occupancy.

Recommendations for revenue opportunities to draw new business to the facility such as converting a section into a short-term rehabilitation unit would not be feasible in the existing Allentown structure, primarily due to the lack of resident bathrooms. This amenity is expected by not only the short-term consumer but also the referring physicians who are concerned about privacy for infection control on post-operative and post-acute patients. The cost of a renovation on this facility would be prohibitive due to its size, aging systems and infrastructure.

Review of Options

We reviewed several options for Lehigh County to consider as part of the long term planning for the Cedarbrook nursing facilities. The aged physical plant at the Allentown facility is the primary issue that must be addressed under all options. Census revenue is the key factor negatively impacting the operations. The Allentown facility, which houses the majority of the licensed beds, is outdated and lacks basic amenities expected by the current and future generations seeking nursing facility care. When the facility was originally constructed, the population expectations were very different than they are today. Cedarbrook Allentown is the only facility in the market with 3 and 4 bed rooms with no bathrooms in the resident rooms. This, along with appearance and layout, make this facility increasingly undesirable when there are many other options available within the market. As such, most options explored include replacing the existing Allentown building.

We have broken the options into two key sections; first the options for Lehigh County to maintain ownership of the operations of the Facilities; and second, the options for Lehigh County to transfer the operations of the Facilities to an Alternative Ownership structure.

Continued County Ownership

Option 1: Continue existing operations under County Ownership

If the county elects to continue existing operations with no changes, the following table shows the 2012 and 2013 operating results and the projected three year projected losses with the continued decline in census. The required transfer from The County Operations funds will increase from approximately $4.7 million required for

break-even operations noted in the 2013 financials provided to approximately $7.1 million in 2016 if no operational changes are implemented. The increasing losses over the period are the result of:

- Declining census due to the physical plant limitation and changes in consumer demand
- Flat or slowly increasing reimbursement, particularly Medicare and Medicaid
- Increasing employee wages and benefits (including health and pension) at levels higher than reimbursement increases

Table 1

Lehigh County Facilities Summary Financial Trend	2012	2013	2014	2015	2016
Revenue	$63,449,309	$59,970,610	$61,170,023	$62,393,423	$63,641,292
Operating Expenses					
Wages and Benefits	43,973,459	43,921,403	45,239,045	46,822,411	48,695,308
Other Operating Expenses	17,591,369	15,250,597	15,555,608	15,866,721	16,184,055
Management Fee - Admin & Dietary	157,243	615,572	627,884	640,441	653,250
Total Operating Expenses	61,722,072	59,787,571	61,422,537	63,329,573	65,532,613
Net Operating Income Before County Indirect	1,727,237	183,039	(252,514)	(936,150)	(1,891,321)
County Indirect	3,624,733	4,038,923	4,477,943	4,612,281	4,750,650
Net Operating Income	(1,897,496)	(3,855,884)	(4,730,457)	(5,548,431)	(6,641,971)
Capital, Bond Debt and Other	1,876,104	1,035,467	1,927,319	926,132	643,812
Net Income before Transfer from Operations	(3,773,600)	(4,891,351)	(6,657,776)	(6,474,563)	(7,285,784)
Transfer from Operations	(3,438,230)	(3,206,207)	(6,657,776)	(6,474,563)	(7,285,784)
Net Income	($335,370)	($1,685,144)	$0	$0	$0
Census Days	239,806	230,612	229,459	228,312	227,170
Average Daily Census	657.00	631.81	628.65	625.51	622.38

Option 2: Implement revenue enhancements and expense reductions

If the county elects to make operational changes to improve efficiencies noted in this Assessment report, and the operational improvements were fully in place by July 1, 2014, the operational losses will be decreased from those noted in Table 1 for the period 2014 to 2016, but the losses would still continue to grow due to the factors noted above. The following table shows the financial impact:

Table 2

Lehigh County Facilities Summary Financial Trend With Implementation of Recommendations	2012	2013	2014	2015	2016
Revenue	$63,449,309	$59,970,610	$61,485,085	$62,714,787	$63,969,083
Operating Expenses					
Wages and Benefits	43,973,459	43,921,403	43,338,039	42,887,330	44,602,823
Other Operating Expenses	17,591,369	15,250,597	16,619,016	18,036,073	18,396,794
Management Fee - Admin & Dietary	157,243	615,572	627,884	640,441	653,250
Total Operating Expenses	61,722,072	59,787,571	60,584,939	61,563,844	63,652,867
Net Operating Income Before County Indirect	1,727,237	183,039	900,146	1,150,943	316,215
County Indirect	3,624,733	4,038,923	4,477,943	4,612,281	4,750,650
Net Operating Income	(1,897,496)	(3,855,884)	(3,577,797)	(3,461,338)	(4,434,434)
Capital, Bond Debt and Other	1,876,104	1,035,467	1,927,319	926,132	643,812
Net Income before Transfer from Operations	(3,773,600)	(4,891,351)	(5,505,116)	(4,387,470)	(5,078,247)
Transfer from Operations	(3,438,230)	(3,206,207)	(5,505,116)	(4,387,470)	(5,078,247)
Net Income	($335,370)	($1,685,144)	$0	$0	$0
Census Days	239,806	230,612	230,189	229,353	228,630
Average Daily Census	657.00	631.81	630.65	628.36	626.38

The recommendations for revenue enhancements and expense reductions include:

- Increase in Medicare short-term stay daily census by three residents and Managed Care daily census by one, resulting in annual increase in revenues of approximately $593,000 and net earnings of approximately $381,000 after related expenses (primarily therapy, pharmacy and other supplies)
- Increase in Dining service revenue of $37,000
- Reduction in wages and benefits of approximately $3.7 million from certain staffing reductions and outsourcing of housekeeping services
- Increase in contracted services expense of approximately $1.3 million from the outsourcing of housekeeping
- Reduction in dietary costs of approximately $57,000
- Increase in marketing and advertising expense of $60,000

For purpose of this analysis we assumed the above recommendations would be implemented by July 1, 2014, impacting the financial results in the second half of 2014 by an estimated $1.4 million, with full impact of these recommendations totaling $2.8 million realized in 2015.

It is expected that the inflationary increases in operating expenses over increases in revenue rates in future periods, along with projected declining census at Cedarbrook, will offset a portion of these earning enhancements over time; however, the operational results are anticipated to be significantly improved over the results if no action is taken, as exhibited in Table 1.

Option 3: County builds replacement facility for Cedarbrook Allentown

One of the biggest challenges that Lehigh County faces regarding the financial performance of the Facilities is the physical plant of the Cedarbrook Allentown

location. The number of four bed units, combined with the lack of bathrooms in the individual resident rooms creates a barrier to census development, particularly with the more highly reimbursed Medicare short-term stay clients. Without addressing these issues, Cedarbrook is likely to experience census declines over a period of years, largely coming from the short-term stay population. This will result in Cedarbrook becoming increasingly dependent on the lower reimbursed Medicaid population, accelerating the operating losses.

A means of addressing that issue is building a replacement facility for Cedarbrook Allentown, perhaps at a reduced size. The construction of a new down-sized facility would have several benefits, including:

- Allows for construction of facility with all private or semi-private rooms with bathrooms, eliminating the less desirable four bed units
- Allows for state-of-the-art design, allowing for specialty units such as short-term stay unit and Memory care units with related amenities, including spa-like shower rooms and private dining and courtyard areas
- Possibility of funding a portion of the project costs by surrendering bed licenses to the Pennsylvania Department of Health, which will reduce the required Medical Assistance budget
- Benefits other county-based non-profit and for-profit nursing home operators, which would absorb the census as a result of the downsizing, increasing their overall occupancy levels and operating margins

Implementation of this option would be a multi-year project, with several key steps:

Step 1: Discussions with DPW on possibility of a grant based upon surrendering a portion of the bed licenses

Step 2: Financial Feasibility analysis to determine optimal size, construction and development costs for the replacement facility, and proforma financial

performance of the replacement facility and ability to fund the required debt service and capital needs

Step 3: Site selection and any associated land development and zoning issues

Step 4: Selection of architectural/engineering firms and design process and DOH and local approvals

Step 5: Bidding and selection of construction firm

Step 6: Construction of replacement facility

Step 7: Occupancy approval with PA DOH and local zoning agencies, and transition planning and relocation of residents to replacement facility

Alternative Ownership Options

Alternative ownership results in the transfer of the operational aspects of the Facilities to an entity other than Lehigh County. The new entity would become the licensed entity with PA Department of Health. The transfer of the physical plants may or may not be included in the operational transfer. The three key options under an Alternative Ownership transition are:

1. Lease the facility to New Operator (with option for replacement facility)
2. Transfer facility to community based 501(c)(3) non-profit (with option to build replacement facility)
3. Sell facility to New Operator

Contributing Factors

- County concern with the impact on taxpayers of financially supporting a nursing facility.
- County concerns about its ability to continue to serve the financially and medically-indigent through alternative ownership.

- Alternative ownership permits the county to step back from (or out of) nursing facility's day-to-day operations.
- Nursing facility impacts county insurance, worker's compensation and other bundled expenditures county wide.
- County officials question their obligation to directly provide nursing facility services to the community.

County Objectives for Alternative Ownership

- Continue mission to serve financially- and medically-indigent of the community
- Shift ownership and operational responsibility to another organization
- Enhance quality of life and care of nursing facility residents
- Eliminate future County financial and contributory responsibilities
- Smooth resident and family transition
- Minimal labor disruption

Other Economic Factors for Consideration

County Indirect Costs- One negative to the Alternative Ownership transition, either from a lease or sale of the building is that current county indirect costs allocated to the Facilities would no longer be possible, but would need to be absorbed by other departments within the county. Approximately $3.0 million of the county indirect costs pertain to Retirement Administration expense. While the county may be able to reduce some of its costs, it would likely not be able to reduce county costs by the $4 million + currently allocated to the Facilities. This may have an adverse impact to the County's General or Operating Fund.

Pension - While the service period and vesting for the pension plan would be frozen at the time of an alternative ownership transition, Lehigh County would continue to have a significant pension obligation to the current retirees and existing employees who are vested in the plan. In 2004, Lehigh County had an analysis performed by an outside

consultant on the pension liability of the nursing home should the operations be sold. At that time, the analysis indicated that the actuarial present value of the projected future pension benefits was approximately $41.4 million. County Administration has estimated that the current actuarial present value of the projected future pension benefits is approximately $52.5 million. This pension obligation would be funded from either proceeds from a sale of the nursing home or from general funds of the county. We recommend that Lehigh County consult with its pension advisor as part of its due diligence in investigating the various alternative ownership structures.

Accrued Paid Time-Off liabilities - The Facilities would need compensate employees for any earned paid time off, such as vacation and sick leave, in accordance with its policies upon an alternative ownership transition. County Administration has estimated this amount to be approximately $2.2 million. This liability can be funded either through an assumption by a Buyer, with an appropriate reduction of the purchase price; from the proceeds of a sale; or from the cash collections of accounts receivable received by the county after the transition of the ownership.

Option 4: Lease

- New Owner/Operator leases the facility from the County while constructing a replacement facility.
- County maintains ownership of building during term of lease.
- New Operator becomes licensed entity to operate facility
- Current County Employees become employees of new Operator
- County receives monthly rent payment
- Under triple net lease, new Operator responsible for all operational aspects of facility including annual capital improvements
- County has no obligation to fund operations of New Operator although risk to take back facility exists

- Depending on situation, New Operator may pay real estate taxes to school district and local municipality
- Payment for value of licensed beds at time of transition

Under this option, Lehigh County could consider leasing both the Cedarbrook facility and the Fountain Hill facility, or after discussions with PA DPW and separation of the licenses for the two facilities, retain the Fountain Hill facility and lease the Cedarbrook Allentown facility to a New Operator. The New Operator could then plan on the development plans for a replacement facility for Cedarbrook Allentown. The impact on the county Medicaid rate would have to be included in the discussion. In 2006, the Facilities, along with other county-owned facilities, went into a separate reimbursement system for county-owned facilities. The initial rate was based upon the rate of the facility as of April 2006 and has been subject to annual inflationary increases. However, the rate in April 2006 was based upon the Peer grouping the facility were assigned; in the case of the Facilities, Peer Group 4 (facilities> 270 licensed beds). This Peer Group had higher rates than facilities in Peer Group 5, facilities with beds less than 270). If Lehigh County were to spilt the licenses and retain the Fountain Hill facility, it is not known if the Medicaid rate would be reset. Determination of the Medicaid rate would need to be ascertained through discussions with DPW prior to any efforts to split the license.

In a lease arrangement, Lehigh County would transfer the existing licenses for the skilled nursing beds to a new operator, who in turn, would enter into a long-term lease of the building and existing furniture, fixture and equipment (FF&E) with Lehigh County. The lease agreement would be on a *triple-net* basis, in that the Tenant would be responsible for:

- Maintenance and all capital improvements
- Property and general liability insurance
- Real estate taxes (if applicable)

The above are in addition to the new operator being responsible for all operating expenses to operate the facility as a skilled nursing facility, as well as the lease payment to Lehigh County. A typical lease term would be ten (10) years, with perhaps two options to renew for additional five (5) year increments, or up to 20 years. At the expiration of the lease term, Lehigh County could either 1) renew the lease with current tenant, setting new terms; 2) lease facility to new operator; 3) take the facility back, along with license for the skilled nursing beds and operate it as a county-owned facility; or 4) sell the facility.

Rent for skilled nursing facilities are generally based upon a price per bed, either on a monthly or annual basis. On an annual basis, rents generally range from $4,000 per bed to $6,000 per bed. Using $4,500 per bed as a base rent, this would translate to an annual rent of $3,015,000, or monthly rent of $251,250.

Facility	Licensed Beds	Rent per Bed	Annual Rent	Monthly Rent
Allentown	473	$4,500	$2,128,500	$177,375
Fountain Hill	197	$4,500	$ 886,500	73,875
Total	670		$3,015,000	$251,250

As the Facilities will require financial improvement to achieve proforma earnings sufficient to service the above rents and provide a reasonable return to the new operator, the County may want to consider a lower rent in the first two years until the earnings stabilized.

This is particularly true as a result of the current transition from a county to non-county facility for Medicaid reimbursement purposes. Under the current reimbursement system, a new non-county facility will be reimbursed at the Peer Group price limits for the various components (Resident Care; Other Resident Care, and

Administrative) plus capital based upon the $26,000 per bed adjusted by the rate factor. The Resident Care component is further adjusted by the CMI, which as of the 2/1/2014 picture date, was reported at 0.83. While the current Medicaid rate for the Facilities is $223.03, because of the low 0.83 CMI (and using the Budget Adjustment Factor or BAF in effect the first three quarters of the state's fiscal year), the initial Medicaid rate for non-county operator would be $201.63, or $21.40 less per day. Based upon 2013 Medicaid in-house census days of 196,133, this would result in a reduction of Medicaid revenues of approximately $4.2 million from revenues realized by the Facilities. A non-county facility, unlike a county facility, has the ability to increase the Medicaid rate through higher CMI. If the new Operator was subsequently able to increase the CMI to the current state average of 1.04, the Medicaid rate would increase to $234.21, or $11.18 per day higher than the current county rate, and approximately $2.2 million in higher Medicaid revenue than those earned under the county reimbursement system.

A variation on the Lease option is to enter into a Lease to Purchase agreement. This is similar to the Lease Option, but the Tenant would have the option to 1) purchase the licensed beds to build a replacement facility, with general price per bed in the $10,000 to $20,000 price range; or 2) purchase the Facilities or one of the facilities from Lehigh County on or after some *trigger point* during the term of the lease. The purchase price could either be established up front upon mutual agreement, or based upon an agreed upon process; such as a multiple of EBITDAR at time of transfer or based on one or more appraisals (both Buyer and Seller obtain independent appraisals as basis for negotiation) at the time of transfer to establish fair market value.

The benefit from the Lease Option (or Lease to Purchase option) is that Lehigh County still retains ownership of the buildings, while absolving itself of the ongoing financial obligations to fund operating losses, and deal with the administrative and regulatory issues faced in operating a nursing home. In addition, as with a sale, Lehigh County

could also benefit from the *cash run-off* proceeds (collection of accounts receivables in excess of any payable at the time of transfer).

Lehigh County officials should confer with bond counsel before pursuing a Lease Option, as certain bonds or related bond documents may have restriction on the lease of the facilities to a either for-profit entity, a non-profit entity; or both.

Option 5: Transfer facility to New 501 (c)(3) Owner/Operator

- Non-profit would lease existing structure while developing a replacement facility
- Non-profit becomes licensed entity to operate facility
- Current County employees transition to employment of the new Operator
- No proceeds from a sale

This option is similar to Option 4 in the base concept, and is what Centre County recently implemented in the alternative ownership of Centre Crest. In this option, instead of leasing of the Facilities to an existing operator (whether for-profit or not-for-profit), Lehigh County officials would work to identify key members of the community to form a local community-based non-profit and transfer the operations to the non-profit. The non-profit could lease the Facilities from the county and work towards building a replacement facility. This option would result in the least amount of proceeds for Lehigh County as it would generally not result in the purchase of either the licensed beds or the physical plant, as Lehigh County would donate any assets to the community non-profit. The county may need to provide some initial financial assistance to the non-profit during the transition period.

The primary benefit to Lehigh County under this option is that the Facilities remain as "community assets" as the non-profit is governed by residents of Lehigh County. By the transfer of the operations, Lehigh County would no longer be responsible for the operational support, other than perhaps the initial financial assistance to help stabilize the non-profit during the transition period.

As with the other options, the lease and transfer of operations could include both locations or just one, with the county retaining ownership of the other location, subject to DPW's approval on splitting of the license.

Option 6: Sale of the Facilities

- County transfers ownership of building at closing
- New Operator becomes licensed entity to operate facility
- New Operator responsible for all operational aspects of facility including annual capital improvements with no county obligation to fund operations
- Sale could be a competitive bid process or negotiate with one party due to real estate transaction. County requirement is to obtain Fair Market Value which can be substantiated through an appraisal
- Depending on situation, New Operator may pay real estate taxes to County, school district and local municipality

Potential buyers of nursing home facilities generally base their valuation using two key metrics, a price per bed and a multiple of earnings.

Price per Bed Approach

In valuing a facility's fair market value on a price per bed basis, many factors go into the determination of the fair market value. This includes:

- Geographic location of the facility – Pennsylvania-based facilities generally have greater value on a per bed basis than facilities in the south west; but lesser value than New York and New Jersey-based facilities
- Urban vs. Rural – Urban facilities generally have higher valuations than rural facilities
- Age and condition of the physical plant
- Recent sales

There have been nine sales of Pennsylvania county-owned nursing facilities since 2009 and five sales of county-owned facilities in the past 18 months. The facilities are:

Name of Facility	Name of County	Licensed Beds	Occupied Beds	Sale Price	Price per Bed	Price Per Occupied Bed
Laurel Crest	Cambria	370	260	$14,250,000	$38,514	$54,808
Lackawanna Healthcare Ctr.	Lackawanna	272	264	$13,400,000	$49,265	$50,758
Mountain View Manor	Northumberland	271	185	$9,984,000	$36,841	$53,968
Weatherwood	Carbon	200	152	$11,050,000	$55,250	$72,697
Valley View	Blair	254	244	$16,500,000	$64,961	$67,623
Falling Springs	Franklin	186	168	$11,000,000	$59,140	$65,476
Parkhouse Pointe	Montgomery	482	460	$41,000,000	$85,062	$89,130
Sunnyview	Butler	220	216	$20,400,000	$92,727	$94,444
Friendship Ridge	Beaver	589	503	$37,500,000	$63,667	$74,553
Total		2,844	2,452	$175,084,000	$61,563	$71,405

Based on the range of price per bed for Falling Springs, Valley View and Weatherwood noted above, the Facilities estimated value, with 670 licensed beds, is estimated in the range of $37,000,000 to $43,525,000. The chart below breaks this value out by the two locations.

Valuation Estimates

Name	Beds	Low Value	High Value
Cedarbrook	473	$ 26,120,000	$ 30,725,000
Fountain Hill	197	$ 10,880,000	$ 12,800,000
Total	670	$ 37,000,000	$ 43,525,000

The above suggested valuations are based upon recent sales prices achieved. There are a variety of factors that impact the valuation or the purchase price a willing buyer will pay in an at-arm's length transaction. This includes the condition of the physical plant and the related costs to address any deferred maintenance; issues with the physical plant structure that may serve as an impediment to census development and a higher quality mix of short-term rehabilitation residents, including four bed units and lack of resident room bathrooms; perceived ability by New Operator to make operational changes to improve the financial performance of the facility, including increases on the Case Mix Index (see Option 4 – Lease for further discussion of CMI impact on the Medicaid rate).

While it is noted that the price per bed achieved by Montgomery County for Parkhouse Pointe was approximately $85,062 per bed, there was also a sizeable tract of developable land that was sold with the facility. The Buyer has indicated the intent to develop senior housing on the campus. A portion of the purchase price paid for Parkhouse Point can be attributed to the land and development rights but cannot be determined, therefore the true value assigned to Parkhouse Pointe, which has similar

physical plant issues with lack of bathrooms and four bed units in the North Tower of the complex, cannot be precisely ascertained.

It is more likely that Fountain Hill, given its physical plant layout, would achieve a price per bed more consistent with recent sales, while the Cedarbrook location may be discounted based upon the physical plant limitations. Only through a competitive bid process will Lehigh County be able to determine the true valuation that a third party will assign to the two locations.

Alternative Ownership Comparisons

Issue	Keep Facility	Lease Facility	Sell Facility
County has administrative oversight over highly regulated facility	Yes	No	No
County has financial obligation to fund operating losses through county contributions	Yes	No	No
County has obligation to fund capital improvements in facility	Yes	No, "triple-net" lease	No
County benefits from "cash run-off"	No	Yes	Yes
County preserves "mission" of Facility	Yes	Yes (through lease terms)	Yes (through sales agreement)
Freeze of pension plan obligations pertaining to transferred employees	No	Yes	Yes
Facility on tax roll for County real estate taxes	No	Maybe	Yes
Facility on tax roll for School District and local municipality real estate taxes	No	Maybe	Yes
End of new claims for workers compensation	No	Yes	Yes
End of new claims for health insurance	No	Yes	Yes

Benefits to the County:

- Purchase price (if sale) provides funds to the County (less transaction costs) or lease payment "locks-in" annual cash flow
- Elimination of nursing home ownership risk
- Preservation of County mission (dependent on purchase price/lease desired by county and who alternate is)
- Facility on County tax rolls (if sale)
- No further funding and/or accruing of pension costs
- Divesture of County nursing facility usually means reduction in County's overall Worker's Compensation exposure
- Typically net Cash to County from run-off of Accounts Receivable and Accounts Payable

Depending on alternative ownership structure, impact on existing employees:

- Retention of substantially all of the existing employees
- Retention of seniority for staff
- Pay competitive wage rate
- Competitive benefit package including a 401(k) retirement plan to replace county pension plan
- Improved take home wages with elimination of "mandatory" Employee County Pension Plan contribution
- Potential pension distribution options

Administration – Operations

ASSESSMENT

An operational assessment of the administrative department was conducted for each facility. The assessment consisted of onsite observations, review of documentation provided by Lehigh County and direct interviews with key administrative staff. As the two facilities share one common license, many of the administrative tasks are performed at the Cedarbrook facility for both facilities.

FINDINGS

There is a licensed administrator and one administrative support person at each of the facilities. The County currently utilizes a management company to provide the Administrator and Chief Financial Officer. Duties are delegated appropriately and each administrator has a working knowledge of the entire operation. The current staffing levels are adequate for the operation.

Appropriate expense controls are in place. Purchases are coordinated with the County purchasing department and utilize State Contract, County Bid and best practices to ensure quality products and services at the best cost. Par levels are maintained and supply levels were appropriate for the size of the facility. We did not identify any overstocking of supplies.

Contracts are reviewed for appropriateness and major services are changed when price or service dictates. The facility most recently changed therapy providers which is showing a positive impact on resident care and will provide some financial benefit as well.

Staffing levels are monitored for efficient staffing patterns and overtime and benefit utilization is tracked to ensure appropriate use. Departments monitor their own staffing levels as well.

OPPORTUNITIES

The Cedar Brook facilities are well run with an emphasis on resident care, expense conservation and revenue enhancement. Administrative staff is knowledgeable and provide appropriate oversight. We did not identify any opportunities in this area.

Activities

ASSESSMENT

Cedarbrook Allentown

Therapeutic Recreation

Current Staffing

1 FTE Director of Therapeutic Recreation
1 FTE Volunteer Services Coordinator
1 FTE Administrative Assistant
6 FTE Therapeutic Assistants (Degreed)
5 FTE Therapeutic Aide II
2 FTE Therapeutic Aide I
4 Per Diem Therapeutic Aide I
1 PT Bus Driver
3 PT Service Attendants

Recommendations

Eliminate 4 Per Diem staff
Eliminate Administrative Assistant

Fountain Hill

Therapeutic Recreation

Current Staffing

1 FTE Asst. Director of Therapeutic Rec
3 FTE Therapeutic Aide II
1 FTE Therapeutic Aide I
1 FTE Therapy Assistant
4 PT Therapy Aide 1
1 PT Attendant
1 PT Bus Driver

Recommendations

Add 1 FTE Therapeutic Aid/I or II

Assessment

The Therapeutic Recreation review consisted of a thorough interview and tour with the Director of Therapeutic Recreation. Interview included staffing and current day to day responsibilities to verify that the activity needs of each individual resident are being met and documented per regulatory guidelines.

Findings

Activities offered in each building are of a good variety and cater to the resident's wants and needs.

Staffing in Cedarbrook Allentown is adequate.

Staffing in Fountain Hill does not match staff/resident ratio in Cedar Brook.

Volunteer and Community Outreach far exceeds what is typically seen in long term care and should be supported so it is sustained.

The physical plant at the Allentown facility is very institutional and does not promote a homelike environment which is preferred by the current generation of nursing home residents.

Opportunities

Eliminate Per Diem positions to create FTE positions that would allow consistency and time off/vacation coverage for department.

Provide adequate staffing to Fountain Hill.

Implement electronic medical record documentation through current Point Click Care system.

Admissions and Marketing

ASSESSMENT

The assessment included a review of the systems and processes related to occupancy, revenue and business development for the facilities. Methods utilized for information collection were government websites including the Pennsylvania Department of Health and Center for Medicare and Medicaid Services, direct observation, employee interviews and county provided reports.

FINDINGS

Cedarbrook Nursing Facilities consists of two separately located County run skilled nursing structures sharing one license. Originating as an Almshouse, the current Cedarbrook Allentown structure was built in 1928, with expansions made in 1959 and 1970. Today the building serves as a 473 bed skilled nursing facility with a secured memory impairment unit and a 42 apartment Independent Living wing. Cedarbrook Allentown is a seven story brick structure located in South Whitehall Township with convenient access to Interstate 78, the Pennsylvania Turnpike (I-476) and Routes 22, 33 and 309. The main entrance is located on the second floor and is accessed by navigating a long walkway and several stairs. A separate, awning covered handicapped entrance with designated signage is located in close proximity to the main entrance and enters onto the first floor. There is a 32 bed unit that has been closed with ten of those beds decertified.

Cedarbrook Fountain Hill, located in the borough of Fountain Hill, is a three story brick structure built in 1970 that was purchased by Lehigh County in 1974. Today, Cedarbrook Fountain Hill serves as a 197 bed skilled nursing facility that includes a 40 bed secured memory impairment unit. Surrounded by the city of Bethlehem,

Cedarbrook Fountain Hill is accessible to Interstate 78, the Pennsylvania Turnpike (I-476) and Routes 22, 33, 309 and 378. Parking lots are located in the front and back of the building, with limited street parking. The main entrance is handicap accessible and enters into the first floor lobby.

Exhibit C

Lehigh County

# of Licensed Units/Beds

Allentown	# of Private Units	# of Semi Private Units	# of Triple Units	# of Quad Units	Total # of Units	# of Private Beds	# of Semi Private Beds	# of Triple Beds	# of Quad Beds	Total # of Beds
Unit B-1	0	7	0	2	9	0	14	0	8	22
Unit B-2	0	0	0	10	10	0	0	0	40	40
Unit B-3	0	2	11	1	14	0	4	33	4	41
Unit C-2	0	2	0	8	10	0	4	0	32	36
Unit C-3	0	3	12	0	15	0	6	36	0	42
Unit D-2	1	19	0	2	22	1	38	0	8	47
Unit D-3	1	20	0	2	23	1	40	0	8	49
Unit D-4	1	20	0	2	23	1	40	0	8	49
Unit D-5	1	20	0	2	23	1	40	0	8	49
Unit D-6	1	20	0	2	23	1	40	0	8	49
Unit D-7	1	20	0	2	23	1	40	0	8	49
Fountain Hill										
Station 1	1	19	0	0	20	1	38	0	0	39
Station 2	1	19	0	0	20	1	38	0	0	39
Station 3	0	20	0	0	20	0	40	0	0	40
Station 4	1	19	0	0	20	1	38	0	0	39
Station 5	0	20	0	0	20	0	40	0	0	40
Total	9	223	23	31	286	9	446	69	124	670

To evaluate the competitive environment within the Lehigh County market share, several organizations were reviewed with key individuals of Cedarbrook Nursing Facilities to gain their perception and insight of reputation services and amenities. There are currently 16 licensed facilities with 2,870 licensed beds in Lehigh County.

Demographic statistics from 2011 in the category of residents age 65 and older indicated 62,278 potential customers. This equates to 52.6 licensed beds per 1,000 individuals within the population age 65 and older.

COMPARISON CHART

Provider Name	Number Of Beds	Private	Semi Private	Triple	Quad	Secured	Rehab Suite	Hospice Suite	CCRC	Star Rating	Occupancy	Comments
Cedarbrook Nursing Homes	680 (10 decertified)	9	230	23	33	196			no	4 combined	96% combined	IL; some amenities
Phoebe Healthcare	395	yes	yes						yes	3	92%	all amenities
Lehigh Center (Genesis)	128		yes						no	5	95%	TCU-all amenities
Manor Care Allentown	166	yes	yes				yes		no	3	95%	all amenities
Manor Care Bethlehem 2021	227	yes	yes				yes		no	4	90%	all amenities
Manor Care Bethlehem 2029	217	yes	yes						no	4	92%	all amenities
Good Shepherd Bethlehem	60								no	5	100%	Specialty Rehab Center
Good Shepherd Baker Center	99								no	5	100%	Specialty Rehab Center
Mosser NH	60	yes	yes						no	3	91%	
Sacred Heart TCF	22								no	4	83%	Hospital Based
Fellowship Manor	121		yes						yes	5	96%	
Westminster Village	111	yes	yes						yes	5	97%	SLC-all amenities
Liberty NH	146		yes						no	4	91%	
Luther Crest NF	60	yes	yes						yes	4	93%	S LC-all amenities
Holy Family Manor	208		yes						yes	4	96%	All amenities
Lehigh Valley TCU	52								no	4	90%	Hospital Based
Total	2752											

Source: Medicare.gov; PADOH Bureau of Health Statistics-2012 Data; facility website pages

Cedarbrook Nursing Facilities have a long history of providing quality long term care. A stable staff and positive work ethic has grown that reputation and provided stable long term resident occupancy through the years. In the ever changing health care arena, the nursing home industry has seen a shift to a short term model of care that

facilities must embrace and adapt to in order to sustain their financial viability. The skilled nursing industry has had a major shift in care models resulting in a reduction in residents requiring long term care and an increased need for short term resident stays. Changes in reimbursements for acute care providers have resulted in shorter hospital stays and services once provided at the hospital have now shifted to the nursing home. The Cedarbrook Nursing Facilities have worked toward that goal but have been limited due to the physical plant at the Allentown facility. The physical plant at Cedarbrook Allentown is antiquated compared to other providers in the market and is the primary barrier to occupancy.

Cedarbrook Nursing Facilities do not have an Admissions and Marketing Department typical for modern nursing home operations. Both of the facilities' admissions processes are conducted out of the Cedarbrook Allentown location by a full time Admissions Coordinator. Not having a department and staff dedicated to occupancy development at each facility, along with the antiquated physical plant, has impacted the ability to stay competitive in the market and generate revenue sufficient to support facility operations.

Staffing

A typical Admissions and Marketing Department would include an internal Admissions Nurse and External Business Development Liaison for a total of two full time employees at each facility. These positions could be filled by transitioning the part time nurse case manager to a full time Admissions Nurse at Cedarbrook Fountain Hill. Recruitment for an external Business Development Liaison at Cedarbrook Allentown and Cedarbrook Fountain Hill would complete key staffing positions responsible for occupancy development to focus on occupancy and mix at both facilities

Cedarbrook Nursing Facilities would clearly benefit from the following; a dedicated internal and external staffing model in both facilities, securing additional managed care organization contracts, including a marketing budget allotment of at least $60,000 annually to execute a Strategic Marketing Action Plan that would position Cedarbrook Nursing Facilities in the community and gain increased market share. By implementing the recommendations mentioned, Cedarbrook Nursing Facilities would have an opportunity to increase census and payor mix to some extent however this will not address the undesirable physical plant and lack of privacy for residents.

Occupancy

During staff interviews with the admissions department, they were not able to define the actual occupancy and mix goals for the facilities however they know "full" is the ultimate goal. The Cedarbrook Allentown facility has experienced decreasing occupancy over the years and in 2013 a 32 bed unit was closed of which ten beds were decertified.

The majority of nursing facilities operate on an annual budget that includes daily occupancy goals. These goals are reviewed daily by the management team and admissions and marketing activity is planned daily to respond to goals. This process supports high occupancy and mix levels. The current team does meet and discuss potential admissions during the morning meeting.

Based on the competitive market area data assessed and as referenced in the market position section of this report, a reasonable and conservative daily occupancy budget for Cedarbrook nursing facilities would be:

Medicare	60
Managed Care	8
Private Pay	35
Medicaid	500
Total Occupancy	603

Opportunity exists to achieve some increase in revenue through referral and admission activity by seeking additional market available managed care contracts. One additional insurance admission would average $350.00/day (based on an average mix of various levels or RUGS categories) or $127,750/year. Cedarbrook Nursing Facilities has 4 managed care contracts at this time but are in the process of assessing additional providers.

Factors identified in the study that impact occupancy and revenue include:

- Physical plant not market competitive
- Limited number of managed care contracts
- Provides basic clinical capabilities (opportunity to increase)
- Lack of marketing budget to promote services
- No current system for customer satisfaction tracking
- No dedicated internal/external occupancy development team
- 24/7 Admission practice not fully implemented

Demographics

The demographics for the Cedarbrook Nursing Facilities consist of an average male age of 82 and female age of 85 years. There is opportunity to capture the short term and managed care market by focusing on a designated short term rehab unit and adapting to a resident centered environment at the Fountain Hill facility.

AGE	MALE	FEMALE
18-44	2	4
45-49	6	7
60-64	3	4
65-69	5	8
70-74	15	22
75-79	20	38
80-84	17	59
85-89	21	63
90-94	16	71
95+	14	54
Total	119	330
Average Age	82	85

2014 Cedarbrook Nursing Home Resident by Age Report

Admissions Process

The admission process for Cedarbrook is somewhat outdated but typical of an older county process designed to accommodate planned admissions coming from home to live in the long term care setting. Inquiries and referrals are only generated through the Allentown location. Admission paperwork, completed by the Social Services Department, is often delayed and not signed prior to or on day of admission. This presents some risk to the facility when providing care prior to consent to treat and agreement of terms between parties.

Last year Cedarbrook Nursing Facilities received 1101 referrals and only admitted 261 residents. The top categories for lost business included; 267 lost to other nursing homes, 112 denied for behavioral problems, 108 denied due to no appropriate bed available and 81 lost due to no insurance contract. 7% of the 261 admitted were short-term rehabilitation clients with the majority being hospital readmissions. There

were 284 discharges for the year which is significantly higher than the number of admissions.

Cedarbrook Nursing Facilities has the Point Click Care software program to accurately assess business; however, it is not being utilized to its full potential. The Inquiry/Referral/Management IRM module in PCC is a valuable tool to track business and manage referrals.

Cedarbrook has a relatively low capture or conversion rate, meaning that they receive a high number of referrals but only admit a small percentage of them. As indicated above, many were lost to competitors which reflect back to the outdated physical plant. Limited clinical capabilities also impact census along with the inability to accept new admissions 24/7 and direct admits from the emergency room though they are working toward that ability. Area providers identified the following unmet placement needs in the market; Total Parenteral Nutrition (TPN), Naso Gastric tubes, new Wound Vacs, Ventilators and Respiratory Therapy.

With industry standard referral source management, admission processes and competitive clinical capabilities, Cedarbrook Nursing Facilities could achieve some improvement in occupancy levels however the physical plant and lack of privacy for residents will limit the type of resident that will choose Cedarbrook Allentown.

Marketing

Cedarbrook Nursing Facilities do not have a budget for marketing. Very limited external marketing and sales functions are employed to promote awareness of facility services. The facilities do not operate on an annual or quarterly strategic marketing action plan though the management group has developed one, they are limited with no

allocated budget. Cedarbrook Nursing Facilities marketing collateral consists of a brochure and a presentation folder. Advertising is a key component to promoting and positioning Cedarbrook Nursing Facilities for business. The facility does not have an informative website, social media page, or a sufficient identity package to promote the services provided. Interviews with primary staff reveal lack of clear identification of market share business availability, competitive activity, or key account management. An appropriate annual budget amount for a skilled facility is approximately $60,000.00.

Market Position

Cedarbrook Nursing Facilities is 1 of 16 skilled nursing providers in Lehigh County. The Allentown facility is the only facility in the market that has 3 and 4 bed resident rooms and does not offer bathrooms in resident rooms. Residents are required to travel to a community bathroom on the hallway that offers a curtain as the only means for privacy. There are very few facilities in the state that do not have bathrooms in resident rooms. There are 2,752 certified beds within those 16 facilities, and Cedarbrook Nursing Facilities represents 25% of the beds in the market. Cedarbrook Nursing Facilities has an overall above average star rating of 4 out of a possible 5.

Cedarbrook Nursing Facilities have a quality reputation for long term care, however, they have not adapted to the market shift to a balance between long and short term care. Market area competitors have made the transition and as a result, capture the majority of short term business available in the market. Cedarbrook Nursing Facilities provides contracted therapy services but has not been able to adequately promote those services to increase the short term population.

There has been a shift in the utilization of skilled nursing facilities in the last 15 years based on changes in reimbursement for acute care providers. These changes are

evidenced by the following statistics: In 1997, at any given time, only about 9% of nursing home residents were admitted for short term care. Today, 38% of nursing home residents will recover or stabilize so they can be discharged to home or other lower levels of care. The short duration of time allows for a resident turnaround where as those leaving will be replaced by new patients needing care. Cedarbrook currently serves a short term mix of approximately 7%. The short-term average for Lehigh County is 27.31%, consistent with the national average.

The table below shows the 2012 market share data retrieved from the Pennsylvania Department of Health. The short term population is reimbursed by Medicare and Managed Care Insurances at a much higher rate than the long term population which is typically reimbursed by Medicaid. Having a well balanced mix in a facility not only meets the needs of the market demand, but also provides financial stability for nursing home providers. Cedarbrook Nursing Facilities are currently reimbursed approximately $219.00 per day for each long term Medicaid resident, which is substantially less than the cost of care. This deficit can be balanced by maintaining a healthy balance of long and short term residents. The average reimbursement Cedarbrook Nursing Facilities achieves for short-term Medicare residents is approximately $434.18.00 per day based upon the 2013 financial data provided by the facility.

	2012 PA Department of Health Utilization Data for Lehigh County				
Facility	Short-Term	Occupancy	Beds	Admits	Discharges
Cedarbrook Nursing Homes	7%	96%	680	330	99
Phoebe Healthcare	25%	92%	395	983	807
Lehigh Center (Genesis)	45%	95%	128	612	546
Manor Care-Allentown	23%	95%	166	575	536
Manor Care-Bethlehem 2021	19%	90%	227	506	447
Manor Care-Bethlehem 2029	18%	92%	217	424	346
Good Shepherd-Bethlehem	3%	100%	60	2	1
Good Shepherd-Raker Center	3%	100%	99	8	0
Mosser NH	18%	91%	60	112	75
Sacred Heart TCF	99%	83%	22	508	507
Fellowship Manor	15%	96%	121	244	182
Westminster Village	22%	97%	111	144	102
Liberty NH	23%	91%	146	318	268
Luther Crest NF	4%	93%	60	77	54
Holy Family Manor	15%	96%	208	397	294
Lehigh Valley TSU	98%	89%	52	1470	1469
County Averages	**27.31%**	**93.50%**	**2752**	**6710**	**5733**

There is more than adequate business within the market area to support a higher occupancy at Cedarbrook Nursing Facilities and with updates to processes, procedures and updates or replacement of the physical plant; they could easily capture a higher or fair percentage of the available market share.

Daily Room Rates

Room rates are approximately $40.00 less per day than area competitors and based on the disparity in physical plant at Allentown, this is appropriate. Fountain Hill could increase rates to closer reflect other area provider rates if they were to designate a specialty services unit such as short term rehabilitation.

Cedarbrook-Allentown

Resident Rooms	Rates
33 four bedroom/quads = 132	$320.00
23 three bedroom/triple = 69	$320.00
133 semi-private = 266	$320.00
6 private = 6	$320.00

Cedarbrook-Fountain Hill

Resident Rooms	Rates
3 private = 3	$320.00
97 semi-private – 194	$320.00

OPPORTUNITIES

The facilities would clearly benefit from a dedicated internal and external staff, a structured and aggressive referral management and admission process, additional managed care organization contracts and marketing budget with formal Strategic Marketing Action Plan to position Cedarbrook Nursing Facilities in the community and to gain an increased market share. By implementing the recommendations mentioned, Cedarbrook Nursing Facilities would increase census, payor mix, CMI, revenue, and strategically position themselves in the community.

1. Create an Admissions and Marketing Department with staff dedicated to occupancy development for the facility. This would require an annual marketing budget of $60,000.
2. Develop a Strategic Marketing Action Plan with budget to address internal process and create an external presence that will increase occupancy, payor mix and community awareness for each facility.
3. Increase short term occupancy by 3 residents per day at Fountain Hill and 1 managed care contract resident per day for an annual revenue increase of approximately $593,150 and with a net earnings of approximately $381,425.

4. Build managed care contract provider list to increase referral base and occupancy.
5. Recruit/adjust staff to include adding an external Business Development Specialist at Cedarbrook Allentown; create an Admissions Director and Business Development Specialist position at Cedarbrook Fountain Hill.
6. Implement industry standard practice of 24/7 admission acceptance.
7. Develop a capital improvement budget with the industry standard $1,000.00 ($670,000 annually) per bed per year to allow for improved appearance.
8. Consider a rehabilitation wing or unit to accommodate short term stay residents.
9. Expand amenities to include resident telephones, wall mounted flat screen televisions, wireless internet access and enhanced resident centered meal service

Business Office – Billing

ASSESSMENT

An operational assessment was completed at Cedarbrook Nursing Home on February 19, 2014. During the course of the assessment, interviews and discussions were held with key members of the business office. Billing processes, procedures and timelines were reviewed.

Staffing

There are currently 10.07 FTE's that work on billing and accounts receivable in the business office, which includes the CFO and Fountain Hill staff. There are 8 Full-Time employees and 2.07 Full-Time Equivalents ("FTE's") filled by several part-time employees, including 1.00 FTE part-time employees at Fountain Hill. Management reported that previously there were 16 FTE's in the Finance/Business Office.

There are also six part-time Switchboard employees representing 2.10 FTE's and one Full-Time and four part-time Switchboard employees representing 2.16 FTE's at Fountain Hill. These positions are unrelated to the billing functions.

Each staff member was interviewed to discuss their specific job duties and the amount of time needed to perform each task. The Business Office Management believes the current staffing levels are not sufficient for the existing workload. Since 2012, the Facilities have been implementing the Point Click Care system, although not all modules have been fully implemented. This includes the Resident Trust system, which has certain limitations in the Point Click Care system. Once Point Click Care is fully implemented, the 10.07 FTE's should be adequate to perform all the necessary normal tasks of the Business Office/ billing function.

Computer Software

The facility utilizes PointClickCare software (PCC) for accounts receivable and claim submission. They also utilize Kea to maintain the resident trust account. Using two different types of software results in duplicate manual entry into both systems. PointClickCare is not utilized to its full potential. Additional education is needed so that PCC can be used to its fullest extent. The additional training would need to be coordinated with the County IT department and Point Click Care.

Billing Cycle

Private-Pay/Resident Liability – claims generated after month end is closed (mid-month)

Medical Assistance – claims submitted the first week of each month

Medicare A – normally submitted mid-month, but December claims were not yet submitted as of my visit. The biller indicated that she was waiting until after the triple-check meeting to submit the claims. Some of the delay is related with staff time devoted to RAC audits, which have been increasing in recent years.

Medicare B – normally submitted mid-month, but December claims were not yet submitted as of the CHRE visit. The biller indicated that she was waiting because of a functional G-code issue and due to the transition of therapy providers.

Insurance/HMO – claims submitted mid-month

Coinsurance – claims submitted as soon as the Medicare remittance advice is received.

Accounts Receivable

Private-pay and resident liability are not pre-billed and are collected after month end.

Collection activity commences after two unpaid months have passed. After two months, a letter is sent to the responsible party requesting payment. The Financial Services Supervisor determines when a collection letter is sent and which accounts will be referred to the legal department. The district magistrate's office is not utilized for collections. The facility does have a formal AR/collections review of MA Pending receivables and plans to expand the review to other payors.

As of January 1, there are 104 Medicaid pending applications (70 pending in Allentown, 34 pending in Fountain Hill) awaiting approval from the Medical Assistance Office. The facility tracks the pending residents on a MA pending log.

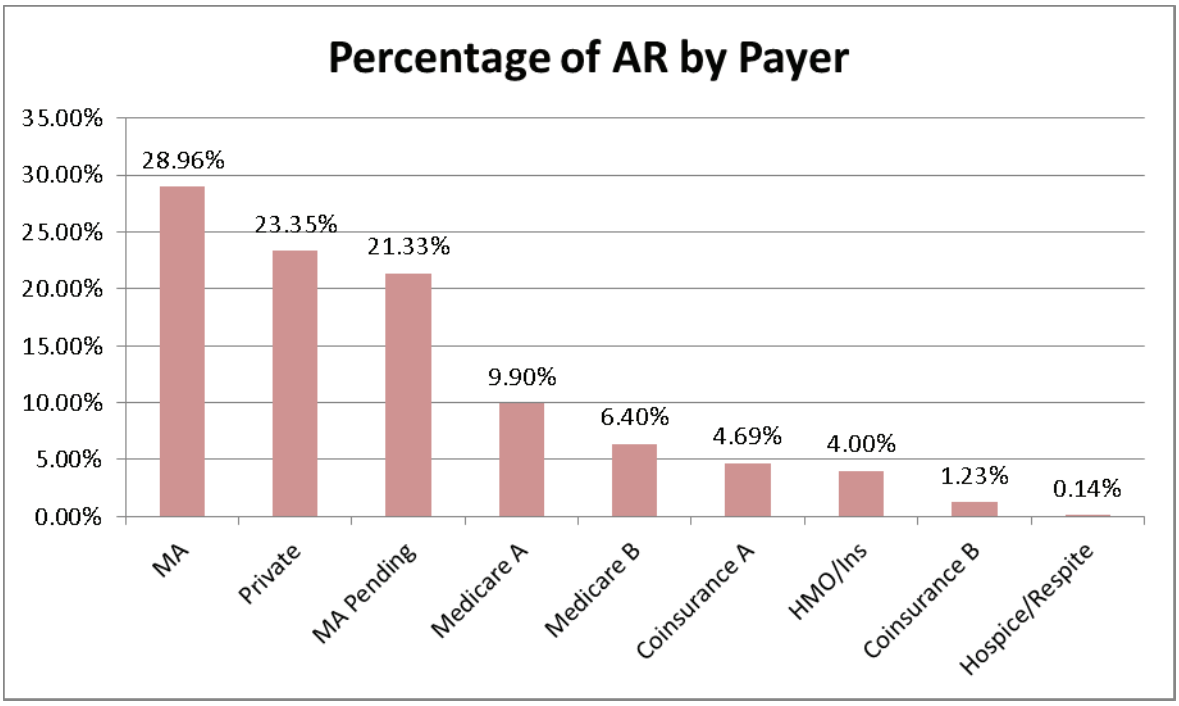
The A/R Aging reports were reviewed dated December 2012 and December 2013. The 12/31/13 aging is carrying approximately $12,221,000 in total receivables, of which approximately $4.5 million or 37% is 120 days or older. This compares to an average of 16.8% of over 120 days receivables for four benchmark facilities as noted in the below table.

Cedarbrook Nursing Homes
Analysis of Accounts Receivable
Aging as of December 31, 2013

	Current	30 Days	60 Days	90 Days	120 Days+	Total
Cedarbrook	4,620,939	1,400,666	1,005,410	661,108	4,532,661	12,220,784
% of Total AR	37.81%	11.46%	8.23%	5.41%	37.09%	100.00%
Facility #1	68.44%	9.77%	4.27%	2.94%	14.58%	100.00%
Facility #2	39.56%	37.90%	3.89%	1.55%	17.10%	100.00%
Facility #3	68.20%	11.22%	5.35%	2.61%	12.62%	100.00%
Facility #4	53.41%	12.28%	7.39%	3.88%	23.04%	100.00%
Avg-CHRE Affiliated	57.40%	17.79%	5.23%	2.75%	16.84%	100.00%

The below chart indicates the payer mix of the 12/31/13 accounts receivable. There is concern that approximately 68% of private pay/resident liability is over 120 days old and unlikely to be collectible. Of additional concern is that approximately $2.6 million represents Medicaid pending applications. Delays in MA

pending applications have been an issue across the state due short staff in county offices, so the experience the Facilities have faced are the same faced by other facilities across the state. Generally the substantial majority of these receivables are approved, so the delays have minimal financial implications, but require short-term funding by the County of these Facilities receivables until the applications are approved and billed to the Medicaid program.



FINDINGS

- Private pay and resident liability are not pre-billed.
- The business office was under the assumption that private pay and resident liability invoices could not be printed until after the month end was closed. The business office is in need of additional software training.
- A more stringent collection policy is needed to minimize bad debt.

OPPORTUNITIES

- The entire collections process should be evaluated, taking a more proactive approach on collections to minimize the accounts that reach the 120+ day category. A revised collection policy is needed, which outlines the steps of the collection process to include:
  - Weekly AR reviews
  - Tracking of collection activity, letters and collection telephone calls.
  - A timeline for performing collection calls and letters, which should occur at least every 10 days.
  - Appropriateness of utilizing small claims court in conjunction with Solicitor's department.
  - Payment requirement on admission day. For MA pending residents, estimate the resident's monthly income and collect it upon admission and every month thereafter, until the MA approval is received.

- Additional PointClickCare training is needed in order to utilize the system to its fullest extent. The software can be set up to track collection activity and print collection letters in accordance to the facility's collection policy. The system can also be set up to pre-bill private pay and resident liability. By waiting until month end to collect the resident liability, there is an increased risk of the income being used elsewhere instead of being paid to the facility.

Clinical Reimbursement

ASSESSMENT

As part of our Operational Assessment for Lehigh County Nursing Home, we have reviewed the two key reimbursements for the facility; the Medicaid reimbursement system and the Medicare system. The following is our analysis of these two components of revenue during onsite facility visit February 19 and 20, 2014.

Included in the review were reviewing facility records and interviews with facility MDS Specialty Coordinator, Minimum Data Set (MDS) MDS Coordinators, and restorative nurse. We also received additional information from the consultant who provides support to the staff at the building.

FINDINGS

MDS Completion/Scheduling Practices

The facility currently budgets for a total of 8 FTE's MDS Coordinator positions between the two facilities –Cedarbrook with 5.5 MDS Coordinators and 2.5 at Fountain Hill. One RNAC splits the week between the two facilities. The LPN that is the Specialty Coordinator oversees the RNACs, completes PPS and OBRA MDS schedules for each facility, coordinates daily Medicare Meeting, manages CMI, reviews each MDS prior to submission to the national data base for the CMI management, creates assessments to use in Point Click Care (PCC), and manages triple check which is a new process. RNACs at each facility complete all the comprehensive MDS assessments including the Care Area Assessments (CAAs) that includes admission MDS, annual MDS and significant change in status, Specialty Coordinator schedules OBRA and all the PPS assessments.

Licensed nurse on the floor completes all the quarterly MDS assessments and then each quarterly MDS is audited by the RNACs and Specialty Coordinator prior to submission. The clerical technician opens all MDS assessment once they are scheduled.

Paper documentation is utilized for Activities of Daily Living (ADLs), cognitive, mood and behavior 7 day tracker. The facility has PCC and ability to utilize Point of Care (POC) however they do not have kiosks for POC that will allow nursing assistant to document the daily care provided. Pain Assessment paper form is also utilized for 5 day assessments. The MDS RAI manual states on page J-7 that this is an interview were the resident is asked to recall the last 5 days of pain occurring and the resident's response is what is coded on the MDS when the resident is able to be interviewed. The consultant indicated that they use a paper back up but do not use interview assessment on capable residents.

The facility has limited use of the PCC. They currently utilize PCC for MDS assessment, limited User Defined Assessments that have been created by Specialty Coordinator and billing. By utilizing all options of the electronic health record system the county has invested in, the staff would have improved work flow and have the ability to track and submit with accuracy.

Medicare Part A

A review of the facility's Medicare Part A residents for 2013 was completed. It is noted that the overall average length of skilled stay was 34.1, compared to an Average Length of Stay ("ALOS"). This is consistent with the industry averages.

It is important that the disciplines, particularly the RNACs are aware of potential therapy discharge dates to review the medical record and ensure a remaining skilled service is not present prior to discharging from Part A. By identifying skilled services outside of therapy for services such as wound care, ostomy care, diabetic teaching and even the dying process, the facility could achieve additional increases in overall length of stay ultimately increasing revenue to the facility. The consultant indicated that the Specialty Coordinator conducts routine short-term resident review weekly; reviewing all residents that are potential discharges for, discussing what the plans and educational needs are. Attending the weekly reviews are the Specialty Coordinator; Social Services, Nursing Supervisor, ADON and Therapy.

It is recommended that prior to discharging a resident from Part A services for therapy that the MDS Coordinator and rehab manager meet to review the current clinical status of the resident, including the admitting diagnosis from the acute care facility and physician's orders. The consultant indicated that the Specialty Coordinator reviews diagnosis codes for those that support needs and review physician orders to ensure that they have met doctor orders for services provided.

This would also include a review of the current therapy progress versus nursing observation on the unit to determine if any inconsistency between the disciplines is apparent, including assistance required for bathing, dressing, toileting or eating. At times what residents are able to do in the therapy room may be different than what is observed on the 3-11 or 11-7 shifts by the nursing staff and could result in an extension of the therapy length of stay and ultimately an increase in revenue to the facility under Medicare. The consultant indicated that this is done in the weekly meeting.

It is also of importance to note that the reimbursement for ADL (activities of daily living) scoring differs from that of Medicaid. PPS scoring is based on a scale ranging from 0-16 where Medicaid is based on 4-18. It is important that the facility MDS Coordinators have a clear understanding of these differences as it can quickly result in lost revenue if not closely monitored. The consultant indicated that the Specialty Coordinator is knowledgeable and is currently responsible for this process; but due to pending retirement in August 2014, Facilities are training RNAC's to take over this function. This includes a review of the nurse aide daily documentation for inconsistent data in support required particularly in the four late loss ADL's; bed mobility, eating, transferring and toileting. While the ADL score may be 16 for Medicare it may be significantly lower under the Medicaid system resulting in decreased revenue under the case mix system. The facility MDS Coordinators indicated that the ADL documentation is paper on the 7 day observation forms and is reviewed by the nursing staff on the floor. The floor staff then educates the nursing assistants when the ADL documentation is not completed or inconsistent.

During our visit to Cedarbrook it was noted the current facility census was 423 with 16 Medicare A /Managed Medicare HMO.

In comparison with facilities of similar size, the number of Medicare Part A residents is below average, reflecting only a 4% Medicare A/Manage Medicare HMO population compared to total census. Lehigh county facilities average 27.31 and the national average is 28%.

Under current Medicare PPS, each resident that is determined to be skilled will categorize into one of 66 categories based on physical functioning, cognition, behaviors, services being provided such as IV, tracheostomy care and oxygen. These group assignments can also be determined by the amount of therapy the resident is

receiving by any combination of physical therapy, occupational therapy or speech therapy. Lehigh has recently hired Advantage Rehab to provide rehabilitation services. They initiated service at Lehigh on November 1, 2013. Upon review of the Medicare Part A RUG distribution, the breakdown is as follows for January 2014 at Lehigh County Nursing Facility is:

- RU – 48%
- RV – 23%
- RH – 14%
- RM – 13%
- RL –0.8%
- Non-Therapy Skilled – 4%

It is identified that the skilled non-therapy RUG distribution for Cedarbrook has some room for improvement though they are making progress. We used 4 CHR-E affiliated facilities for comparison of the distribution for January 2014 reflected as follows;

Facility	#1	#2	#3	#4
RU	57%	38%	47%	27%
RV	24%	23%	29%	43%
RH	1%	15%	9%	5%
RM	1%	5%	9%	17%
Rehab+ext	3%	3%		
Non-Therapy	14%	16%	7%	3%

It is imperative to review the entire clinical picture prior to discharge from Part A to determine if any other "skilled" conditions are relevant prior to therapy discharge such

as; urological care, ostomy care, wounds, new medications, discharge teaching or injections.

If a resident is planned to be discharged to home, it is in the interest of the facility to conduct a therapy home evaluation, if the resident is agreeable, to not only ensure a safe and appropriate discharge but also potentiate the possibility of revising the therapy goals in the facility and extending the length of stay. This could include such areas as; stair climbing, bathing or even cooking a meal, again ultimately increasing facility revenue under PPS. Keeping in line with discharge to home; discharge teaching and plan development is skillable under Medicare guidelines. The contracted therapy staff currently complete home visits prior to discharging a resident to home.

If a resident is remaining in the facility for continued care, but is no longer appropriate for skilled therapy services it would be in the interest of the facility to ensure that appropriate restorative nursing programs are in place prior to therapy discontinuing and that all applicable staff have been educated on the appropriate techniques required for these programs. This could also potentiate an increase in length of stay for PPS ultimately increasing facility revenue.

An interview with the Specialty Coordinator was conducted during an on-site visit on February 19, 2014 indicating that the facility holds a daily Medicare meeting to review those on caseload. The Specialty Coordinator is also present for the Medicare Meeting via phone to schedule MDS assessments due to the distance between the facilities.

CMI (Case Mix Index)

Until June 30, 2006, the reimbursement for county-owned nursing home facilities from Medicaid residents was the same system as non-county owned facilities. Commencing on the state's fiscal 2006/2007 year, county-owned nursing facilities went on their

own reimbursement system for by setting Room & Board rates based upon the April 2006 rate, which was predicated largely on the CMI of the facility in effect at that time. Under the Department of Public Welfare System for County Owned Facilities, the facility's rate is fixed and not affected by the CMI. The facility is however eligible for the Pay for Performance Bonus program which is based on incremental increases in the CMI. If the facility CMI remains the same or goes down, they are not eligible for the quarter. The amount of distribution for eligible facilities can vary widely depending on the number of county facilities that are eligible. The fewer county facilities whose CMI went up, the higher the reimbursement for those eligible county facilities as the Pay for Performance Bonus funds are divided between fewer county facilities.

The graph below reflects the current trend in the facility CMI otherwise known as "case mix" for the MA population of the facility

Picture Date	CMI
2/1/2013	0.91
5/1/2013	0.88
8/1/2013	0.89 P4P
11/1/2013	0.92 P4P
2/1/2014	0.83

Lehigh County Nursing facility has qualified for 2 Pay for Performance (P4P) over the past year 2013. Medicaid Rate is $223.03 per day / per resident in addition the facility also received August 2013 and November 2013 for the P4P. The CMI dropped significantly for the 2/1/2014 picture date, to 0.83. That should allow for greater opportunity to increase the CMI in ensuing quarters achieving the Pay for Performance bonus the next few quarters.

A review of the pending January 2014 Detailed Census Report from PCC report reveals a large amount of reduced physical function category with "2" end splits. Under the revised case mix system the most recent assessment will be utilized to determine the facility CMI. The PCC Detailed Census Report reflects a number of residents in the clinically complex category with a "1" end split. This category is directly related to signs/symptoms of depression and should be researched to ensure that those residents with depressive indicators are identified and reviewed to capture a higher RUG for the CMI. By ensuring the mood is captured during the assessment period, it can increase the facility CMI and ultimately increase the overall facility CMI. Specialty Coordinator utilizes a tool for staff assessment of moods as well as using interview process to ensure mood is correctly documented on MDS and ensure appropriate reimbursement is received for the M splits. Also noted that there is a high number of ADL score that is reflecting a "B" or "A" on the RUG IV 66 grouper. ADL documentation is on paper using 7 day window documentation. The PPS scoring is based on a scale ranging from 0-16 where Medicaid is based on 4-18. It is recommended that the facility MDS Coordinators and floor licensed nurses have a clear understanding of these differences as it can quickly result in lost revenue if not closely monitored. This includes a review of the nurse aide daily documentation for inconsistent data in support required particularly in the four late loss ADL's; bed mobility, eating, transferring and toileting. While the ADL score may be 16 for Medicare it may be significantly lower under the Medicaid system resulting in decreased revenue under the case mix system.

During interview with Specialty Coordinator, she indicated that the staff consistently meets to review new admissions and significant change residents in order to achieve maximum reimbursement. It is recommended that this process include a review of all residents three weeks prior to the scheduled MDS to ensure that assessments are scheduled appropriately to capture maximum reimbursement in accordance with applicable regulation. The consultant indicated that the MDS Nurse performs a first

level audit and the Specialty Coordinator does a second level audit on the MDS to ensure those measures for Medicare and Medicaid are captured on the MDS.

The following is comparison of three CHR-E affiliated facility Quarterly CMI Report for November 1, 2013. A review of the MDS assessments that captured the rehabilitation therapy RUG for the Medical Assistant residents for this Picture Date is as follows:

Facility	# rehab categories captured on CMI	# of total Medicaid residents	Percent of residents in rehab categories	November 1, 2013 Medicaid CMI
Facility #1	13	35	37%	1.13
Facility # 2	45	111	41%	1.05
Facility # 3	30	90	33%	1.01

.

Strategic planning and constant communication between the MDS coordinator and therapy department will ensure capture of the appropriate RUG category that is reflective of the highest burden of care. Long term Industry standard for therapy rehabilitation categories is 25 %-30% capture on the quarterly CMI report. As identified in the comparison table of CMI for November on the higher spectrum is at 41%.

Medicare Part B census average in February 5, 2014 to February 18, 2014 was 66 residents on case load which reflects 16% of the Cedarbrook population. In comparing the previous therapy management company revenue January 2013 to December 2013 with Advantage Rehab service reflecting a negative variance of $23,000. Recommend 3 weeks prior to the assessment reference date a review of the residents status from the last MDS to current status be reviewed with all disciplines including social service, restorative nursing, dietary, activity, MDS Coordinators, licensed floor staff and therapy to discuss and changes in condition and potential therapy interventions. The consultant indicated the Facilities have an internally developed tool called "Internal Communication Device" for this. If therapy interventions are required, then this greatest burden of care is captured on the MDS which can potentially increase the CMI.

Restorative Nursing Program

To qualify for capture into the RUG category for restorative nursing programs 2 programs are required for the past 6 days from the assessment reference date for at least 15 minutes per day. Restorative Nursing Care, based on individual needs, strives to attain, maintain or prevent decline from a resident's highest practicable level of self-care and function unless the resident deteriorates due to a progressive medical condition or the aging process makes a decline unavoidable. Restorative Nursing seeks to maximize existing abilities of residents, fosters an attitude of realistic optimism, enhances self-esteem, emphasizes independence, minimizes the effects of disability and improves the quality of life.

Restorative nursing programs (RNP) may arise during the course of stay, or in conjunction with a formalized rehabilitation program. In many instances, a restorative program is initiated upon discharge from a formalized rehabilitation program such as physical, occupational or speech therapy.

All residents who have a change in functional status (improvement or decline) as noted during routine care, MDS assessments, etc., should be discussed with therapy department and request sent as appropriate. This communication could potentiate an increase in the Medicare Part B census if a skilled therapy need for intervention is identified.

Recommend the current Restorative Nursing Program be reviewed and adapt a different structure where the restorative nursing programs are divided into 2 different levels.

The more complex restorative nursing service are provided by the Restorative Nursing Assistants and the next level that are less complex to be carried out by the nursing assistants on the unit.

Recommend to also follow the MDS 3.0 guidelines of periodic documentation for evaluation of the nursing program. Daily documentation for the minutes provided and how the resident responded should continue with documentation provided by the nursing assistants. The residents on more complex programs to monthly review notes of the restorative nursing programs and for the less complex restorative nursing programs document at least quarterly with the MDS schedule or as changes occur with the resident that impact the restorative nursing program.

OPPORTUNITIES

MEDICARE

By increasing the number of Medicare residents admitted to the facility, an increase in overall reimbursement could be realized.

Recommend Lehigh County Nursing Facility increased overall skilled census by at least 3, primarily at the Fountain Hill location, bringing the total to 34 between both facilities. Based upon the facility average Medicare rate of approximately $425.00, this would result in an annual increase of Medicare revenues of $465,375. If the distribution of the resident days for the additional three residents were in the higher reimbursed therapy categories, the increase in revenues could be substantially higher.

There would be additional expenses pertaining to the additional three residents, primarily for therapy; pharmacy medical supplies and other ancillary costs.

Medicaid

It is recommended to adopt a standardized resident review process at Lehigh County Nursing Facilities to review the resident's current clinical status including but not limited to the following:

ADL status as compared to the previous assessment to identify need of therapy intervention to prevent or improve current clinical status and identify inconsistencies in current documentation. The consultant indicated that the Specialty Coordinator currently tracks each resident and compares the last MDS and CMI before the next MDS is due.

Restorative Nursing Programs to appropriately maintain current clinical status

Weight gain and/or loss reflective of nutritional status as compared to the previous assessment. The consultant indicated the Dietician manages this process and then communicates to the interdisciplinary team when changes occur.

Identification of new onset behaviors or mood symptoms since previous assessment. The consultant indicated that the Specialty Coordinator completes this.

Continence pattern and appropriateness for scheduled bowel and/or urinary program to maintain or improve current status. The consultant indicated that the Restorative Nurse leaders complete this task.

Lehigh County Nursing facilities also identified that the facility does not have a consistent process in place to monitor the case mix week to week. The consultant for the facility indicated they have provided a computer generated tool for the staff to use. It is highly recommended to implement a tracking mechanism which is updated as assessments are completed to assist in determining the current case mix. This monitoring will assist the MDS Coordinators as well as facility Administration in estimating future reimbursement based on a case mix model.

It is highly recommended that the facility focus on programs such as restorative nursing and mood/behavior documentation as these will become imperative to maintaining and/or increasing the case mix.

Clinical Services

ASSESSMENT

An operational assessment was completed at Cedarbrook and Fountain Hill Nursing Facilities located in Allentown/Bethlehem, Pennsylvania in February 2014. One day was spent in each facility. The assessment team consisted of two Registered Nurses with backgrounds in long term care. During the course of the clinical assessment, interviews and discussions were held with key members of the Nursing Management Team. Reviews of staffing practices, processes, supply usage and equipment utilization were completed.

Scheduling

A master schedule is the responsibility of the full time scheduler. She also handles the day to day call offs and replacement staff Monday through Friday. A computerized scheduling program is used. Per interview, Agency is used for Professional services only. Due to recent turnover of staff an increased utilization of Contractual Staff was noted since December.

All staff work an 8 hour day with a paid lunch break. Overtime for licensed staff is capped at 32 hours per pay period. Per Diem and part time staff are capped at 1000 hours per year.

Staffing

A review of the direct care staff including RNs, LPNs, and Nurse Aides was conducted as part of the baseline operational assessment. The current staffing patterns are adequate to meet the needs of the residents. Current staffing is at 3.2 PPD. No recommendations for hands on reduction but do recommend all staff be paid for a 7.5 hour day vs. an 8 hour day by having all staff clock out for a 30 minute meal break.
Job security and fear are currently driving the staffing crisis which is resulting in increased utilization of contractual staff and overtime.

Agency Utilization: A review of agency hours utilized over the last quarter revealed the usage split between RN/LPN. Cedarbrook is utilizing an average of 110 LPN hours and 100 RN hours. Fountain Hill is slightly less at 100 hours for each professional discipline. An increase in utilization was noted in December and has continued to increase with recent turnover in staff.

Facility currently contracted with four agencies with average rates for NA's at $20.75, LPN's at $40.11, and $48.37 for RN's. Facility currently only requires their services for the licensed staff.

Current Staffing hours for Cedarbrook (as provided by DON)

7-3	RESTORATIVE NA	LPN'S	RN'S	NA'S	TRANSPORTATION AIDE
B2		1.5	1	4.5	
B3		1.5	1	4.5	
C2		1	1	4	
C3		1.5	1	4.5	
D2		1	2	5.5	
D3		2	1	6	
D4		2	1	5.5	
D5		0	2.5	5.5	
D6		1.5	1	6.5	
D7		2	1	6	
HOUSE	5				3

3-11	RESTORATIVE NA	LPN'S	RN'S	NA'S	TRANSPORTATION AIDE
B2		2	0	3	
B3		2	0	3	
C2		2	0	3	
C3		2	0	3	
D2		2	1	3.5	
D3		1	1	3.5	
D4		1	1	3.5	
D5		2	0	4.5	
D6		2	0	5.5	
D7		2	0	4.5	
HOUSE	1.5				1

11-7	RESTORATIVE NA	LPN'S	RN'S	NA'S	TRANSPORTATION AIDE
B2		1	0	2	
B3		1	0	2	
C2		1	0	2	
C3		0	1	2	
D2		1	1	2	
D3		1	1	2	
D4		0	1	2	
D5		1	0	3	
D6		1	0	3	
D7		1	0	3	
HOUSE					

Current Staffing for Fountain Hill

7-3	RESTORATIVE NA	LPN'S	RN'S	NA'S	TRANSPORTATION AIDE
Station 1		2	1	4	
Station 2		2	1	4	
Station 3		2	1	5	
Station 4		2	1	5	
Station 5		1	1	5	
HOUSE	2.5				

3-11	RESTORATIVE NA	LPN'S	RN'S	NA'S	TRANSPORTATION AIDE
Station 1		1	0	3	
Station 2		1	1	3	
Station 3		2	0	3	
Station 4		2	0	3	
Station 5		2	0	4	
HOUSE	.5				

11-7	RESTORATIVE NA	LPN'S	RN'S	NA'S	TRANSPORTATION AIDE
Station 1		1	0	2	
Station 2		1	0	2	
Station 3		0	1	2	
Station 4		1	0	2	
Station 5		1	0	2	

Recommendation

Our only recommendation to direct resident care would be to reduce the number of Restorative Aides from 9 to 5. To accomplish this without compromising resident care we recommend the current Restorative Nursing Program be reviewed and adapt a different structure where the restorative nursing programs are divided into 2 different levels.

The more complex restorative nursing service are provided by the Restorative Nursing Assistants and the next level that are less complex to be carried out by the nursing assistants on the unit.

NURSING ADMINISTRATIVE STAFF

The nursing administration team consists of the Director of Nursing, Assistant Director of Nursing, 2 FT and 2PT Staff Educators, an Infection Control/QA RN, a Wound RN, 2 FT Risk Management RN's, a Clinic Coordinator, a Central Supply Director with 2 FT and 2 PT staff, a Scheduler, a Nursing Secretary, 8 FT RNACs, 1 FT Specialty Coordinator (LPNAC), a PT Clerical Tech I, a FT Clerical Tech III, one FT and one PT Employee Health Nurse, 9 Unit Clerks and a Restorative RN.

Recommendations

Based on conversations with the DON and ADON, and based on current industry practice, we would recommend elimination of the Specialty Coordinator, both Clerical Techs, and both Employee Health Nurses. We would also recommend reduction of the unit clerks from 9 to 6. We believe the job responsibilities of these positions could easily be absorbed by other positions within the department.

Central Supply

Per discussions with the Central Supply Director, he currently manages his department with two full time Techs and two PT Techs (between the two facilities) who are responsible for filling all daily orders within the facility as well as maintaining PAR levels on each of the units and putting all stock away on delivery days.

Three bids are required for purchase of items. Bids are usually obtained from:

- McKesson
- Medline
- Gulf South

Overall, the facility is very cost conscious related to equipment and frequently evaluates the usage and appropriateness of higher cost items. PAR levels for supplies

have been established and are posted on each nursing unit. Central delivers supplies and replenishes up to the PAR level.

During assessment a sampling of products and their pricing was reviewed. Facility pricing is within the industry standard. Inventory for both buildings is managed from Cedarbrook and kept to a minimum. Director stocks Fountain Hill through a cart exchange 3x/week.

The facility owns all equipment with the exception of an occasional C-PAP or specialty bed. No rentals currently.

No recommendations for change within this department.

Medical Records

The medical records department consists of a Coordinator and 1 FT FTE and 2 PT FTE's. No recommendations for change in this department.

Clinics

The facility has on-site clinics where physicians come to see their patients that include Podiatry, Eye, and Dental. A Clinical Coordinator is in charge of coordinating clinic appointments and scheduling of outside appointments. The Clinic Coordinator is also responsible for scheduling the transportation aides (3-4) for outside appointments. No recommendations for change in this department.

Environmental Services

ASSESSMENT

Tours of each facility were conducted with facility environmental services staff to review operations and identify potential expense reductions through operational efficiencies. We observed environmental staff conducting or completing duties that are not considered routine environmental services duties in other long-term care facilities that we have visited.

Institutional linen service is provided through an outside contract. Facility laundry staff deliver, receive, and reconcile linen counts. This may by an additional area for outsourcing to further reduce expenditures.

Cedarbrook resident rooms averaged 240 square feet which is smaller than typical resident rooms found in most newer facilities. The four bed or quad resident rooms lack a bathroom. Resident rooms do not present a homelike environment and lack many of the resident requested conveniences that a modern facility provides.

During the tour we noted several damaged terrazzo floors in the corridors. Although these floors are structurally sound the damage could be considered an infection control issue and it is unsightly to first-time visitors.

Unit B resident rooms are currently closed and are being utilized for storage. The structure of these rooms are not rated fire assemblies under the Department of Health Life Safety Code and could result in a potential citation during the facility annual life safety inspection. Corridor hand rails do not return to the walls at their ends as

required by regulation. The Pennsylvania Department of Health has cited facilities in the past for this issue.

Facility supplies and services are purchased through the bidding process. Typically the low bid was accepted and approved for service. This would appear to be the most cost effective method. Housekeeping does not utilize budget spend down sheets to reconcile this supply purchases. Housekeeping staff are responsible for maintaining supply par levels on the resident care floors.

Although department overtime is budgeted annually, the environmental services directors assured me it is not used. Both directors replace call offs with staff on hand.

Housekeeping quality assurance audits are completed on a monthly basis.

Housekeeping staff is responsible for cleaning the AG Center building, the Meals on Wheels building, and the independent living unit in addition to the skilled nursing facilities.

Maintenance staff acts as a courier daily for deliveries to other county buildings.

Maintenance staff acts as backup personnel for the Cedar view building.

Facility maintenance staff performs monthly preventative maintenance services on all equipment. There are a few select countywide maintenance agreements that assist the facility maintenance department in completing their preventative maintenance tasks.

The facility is participating in utility performance contracting.

FINDINGS

Based on interviews with facility staff housekeeping staffing ratios are greater than averages at other facilities in the state, however, they described numerous non-routine duties typically not performed by environmental services staff. Some of those non-routine tasks are listed in this report. For example, housekeeping staff are responsible to:

- Collect and deliver all laundry
- Shovel and salt entrance walkways when maintenance is working short-staffed
- Deliver supplies to Fountain Hill
- Assist facility social service workers in purging resident bedrooms of excessive personal belongings
- Responsible for central supply duties three days a week
- Clean the dietary department after hours
- Assist with resident room changes on a near daily basis
- Coordinate contracted extermination services and vendor tours
- Process UPS deliveries and shipments
- Order and deliver oxygen supplies throughout the facility

In addition, maintenance staff are responsible for the preparation and burial of select deceased residents.

OPPORTUNITIES

Based on interviews and data collection the facility environmental staffing does not appear to be excessive based on the number of non-routine tasks both the housekeeping and maintenance staff are asked to do on daily basis. If for any reason staffing levels are adjusted the question has to be asked "who would complete their tasks" before reducing staffing. The facility staffing ratios are currently so close to, or below, average environmental staffing ratios we do not recommend reducing staff.

The facility may realize some savings by being allowed to shop for their own maintenance agreements. Maintenance agreement contracts for the elevators, fire alarm system, HVAC maintenance, are piggybacked on other County maintenance agreements. If any of these agreements are long-term commitments to a rollover price increase annually facilities can typically can find much more competitive pricing on the open market.

The Facilities Services Director suggested creating a new facility revenue stream by providing residents telephone services in their bedrooms. This could be accomplished by replacing the current facility telephone equipment with a PBX system capable of providing the individual resident telephone service. He was aware of PBX system capabilities and is currently awaiting capital improvements toward this goal.

There may also be some opportunities for savings from contracting housekeeping services out to providers such as HSG, Aramark, or ServiceMaster. These providers typically save facility monies through reduced labor and supply costs. The cost per patient days ("PPD") at four comparable managed facilities ranges from $5.06PPD to $11.64 PPD, with an average PPD of $8.10; compared to $14.04 PPD for the Facilities. Two of the noted managed facilities have outsourced housekeeping at an average cost of $5.20 PPD. Outsourcing of housekeeping service could result in annual savings of

approximately $1.4 million; taking into account additional services provided to the Brookview I/L, and additional Maintenance needed to handle functions currently performed by housekeeping typically completed by maintenance staff. Subcontracting of functions is permitted under Article 3, Section 3 of the collective bargaining agreement with UFCW, as long as the Facilities adhere to the provisions, including the "meet and discuss" provisions.

There is little opportunity to improve upon your current purchasing practice of awarding supplies and service contracts to low bidders. The County may want to consider allowing the facility to shop for comparative pricing on its own in effort to reduce costs to the facility. This could be a two edged sword by taking the long-term care facilities out of the bidding pool of other County buildings. Another thing to consider is refraining from allowing contracts to roll over annually without searching for competitive pricing. Typically only a few years of steady rollover cost increases take the vendor proposals out of the competitive pricing arena.

The same could be said for facility utility costs. The facility is currently involved in a performance contracting program which will eventually realize utility cost savings after the initial equipment installation cost is paid for. There is little or no possibility of improving on utility costs at this time.

Nutritional Services

ASSESSMENT

A full assessment of the dietary services department was conducted for Lehigh County on Wednesday, February 19 at Cedarbrook Allentown and on Thursday, February 20th at Fountain Hill.

Sodexo Operations LLC, provides all management, clinical and line staff for dietary services at for Lehigh County at both the Cedarbrook Allentown and Fountain Hill locations. Sodexo is responsible for managing all aspects of the dietary department including labor, purchasing, menu development, and providing dietitian services.

Information assembled in this report was generated from multiple sources including managerial and personnel interviews, department-specific documents including invoices,

The Sodexo Contract was recently renewed through 2015.

Cedar Brook, Allentown-Yearly contract is $113,752 $0.63per budgeted resident (includes Brookview)

Fountain Hill Yearly contract is $41,045 $0.58 per budgeted resident.

Cedar Brook also serves Brookview Apartments which provides residents with two meals per day served in a disposable container. The only item that returns and is reused is the food cart that is used for transport. As of our visit, there are 30 residents in the apartment complex. The food budget includes those meals (average 60 per day).

Cedar Brook Allentown provides an employee Café ("Market to Go") and is open for 5 hours per day Monday through Friday. This does not operate weekends or holidays. This program breaks even or has minimal profit. The County receives the revenue. The menu is limited, as there is one Sodexo employee who staffs the program. More options would cost more and result in less revenue without increasing the food budget, unless expanded hours would be considered.

Cedar Brook total census for 2013 was 160, 180

Fountain Hill Total Census for 2013 was 70, 433

Food

Cedar Brook Dietary Budgeted PPD for 2014 is $7.35 which does not include supplements.

Fountain Hill Dietary Budgeted PPD for 2014 is $6.70 which does not include supplements.

Labor

Cedar Brook Labor ppd is .74

Fountain Hill Labor ppd is .65

Industry standard is .75-.77

Operational staffing appears adequate with working supervisors and noticeable cross training between staff. The training program is exemplary and the director and her team appear to manage a streamlined, efficient production process.

Clinically they are below industry standard with only 2 FTE of Registered Dietitians. Industry standard is 1 FTE RD for 100 residents.

County and Non County Proposal:

Cedar Brook Allentown Recommend adding 2 FTE of Diet Technician

Additional Cost for this would average $80,000 annually

Fountain Hill

At an average census of 192 there is one full time RD.

County and Non County proposal

Recommend adding 1 FTE of RD.

Additional Cost for this would average $60,000 annually.

Findings:

Adaptive Equipment

Adaptive equipment costs for 2013 total $11,226.15. Adaptive equipment procurement totals for 2013 are as follows:

Dysphagia spoons 960, Nosey cups (24), Feeding cups without handle (1,050), Pedisure spoon (12), One-handle clear mug (72), Two-handled clear mug (156) Gripware scoop dish (24).

During our observation a majority of resident trays received this equipment although many residents needed to be fed or did not use the equipment. This is normally ordered as an occupational therapy aide. With oversight and training; this is considered a beneficial program. However without the training this can be huge cost to the facility if it is not closely monitored.

Cost Breakdown

Nosey Cup-$3.40, Feeding cup-$4.33, Pedisure Spoon, $3.18, Scoop Dish-$5.15

Considering the average meal cost of $7.35, those residents receiving adaptive equipment without any oversight or follow up is costing the facility an average of $9.00 per day over the budgeted food cost. This could be significantly reduced with a better managed rehabilitation program.

Supplements

No medication pass supplement is used-The medication pass supplement is a lower cost alternative for providing residents who need nutritional supplements small servings of calorically dense nutrition while giving medications. Providing a product that supplies 120 calories 4 times a day with meds is more beneficial as they are observed by a licensed professional. This can be given as a medication pass, and at the end of the day the resident has consumed approximately 480 calories plus the meal, whereas, larger amounts of supplements between meals may cause a decrease average meal consumption.

Cost for a medication pass per day averages $.64 per resident (8 0unces). To provide the same amount of nutrition with a supplement between meals such as a "Mighty Shake" 3 times per day costs $1.32 per resident. Labor would play a significant factor as well because an aide has to provide the supplement at 10, 2, and evening whereas the LPN while passing meds is providing additional nutrition while completing the medication pass without additional time involved.

If there is an average of 50 residents receiving supplements a monthly savings would result in $1,000.00 or $12,000.00 per year.

Excess Juice Usage

Nursing pours an additional 4 ounces (approx) of juice to each resident 3 times per day (Regulations require that 6 ounces of Fruit juice is the only juice requirement which is normally served at breakfast) This will result in an additional cost of $40,663 in 2014. (Based on average juice cost of $.25 per 4 ounce serving)

Resident Snacks

There are variety of resident snacks available and both facilities meet the regulatory requirements for snacks. Nursing completes the snack requisition forms, rather than dietary setting par levels for snacks. There is more cost control if dietary sets par levels with nursing input for snack items. This eliminates over ordering.

Employee Meals

Employee meals are available at the Cedarbrook Allentown location. Employee meals are not available at the Fountain Hill location.

Offering employee meals through the dietary department has revenue generating potential for both Cedarbrook Allentown and Fountain Hill facilities.

Example of employee meal generated revenue:

Sell 20 employee meals daily at a selling price of ($3.50) per meal

(20) meals x ($3.50) = ($70.00) daily

($70.00) daily from meals x (365) days per annum= ($25,550)

Sample meal cost breakdown:

Meat ($.80) Vegetable ($.15) Starch ($.20) Dessert ($.30) Milk ($.20)

Total food cost per meal is ($1.65)

(20) meals x ($1.65) = ($33.00) cost to produce (20) employee meals per day.

($33.00) x 365 days per annum= ($12,045.00)

($25,550) (employee meal) – $12,045.00 (cost to produce employee meal) = ($13,505.00)

Employee Meal Profit: ($13,505.00)

Guest Meals

Guest meals are not provided at either the Cedarbrook Allentown or Fountain View locations. However, food items are available for purchase at a minimal cost to guests at the "Market to Go "café.

Cedarbrook Auxiliary provides food once per month. This does have a direct impact on the Market To Go program as the program is closed on Auxiliary sale days.

Example of guest meal generated revenue:

Sell 20 guest meals daily at a selling price of ($5.00) per meal

(20) meals x ($5.00) = ($100.00) daily

($100.00) daily from meals x (365) days per annum= ($36,500.00)

Sample meal cost breakdown:

Meat ($.80) Vegetable ($.15) Starch ($.20) Dessert ($.30) Milk ($.20)

Total food cost per meal is ($1.65)

(20) meals x ($1.65) = $33.00 cost to produce (20) guest meals per day.

($33.00) x (365) days per annum= ($12,045.00)

($36,500.00) (guest meal) – ($12,045.00) (cost to produce guest meal) = ($24,455.00)

Guest Meal Profit is ($24,445.00)

Vending

Vending is currently outsourced. Bringing vending in house can generate additional revenue for both locations.

OPPORTUNITIES

Sodexo is operating the department in a well-organized fashion focusing on good standards and budget compliance. The staffing is lean, but effective. With the recommendations as noted above additional opportunities with financial significance are as follows:

1. Consider a full review of the therapeutic use of adaptive equipment and expenses. At a current average cost of $11,000.00 annually, there is potential to decrease that expense by 50% and save $**5500.00 per year**.
2. Consider less in-between meal and tray supplements and use the Medication Pass supplement that is well known in the long term care industry as an effective supplement for residents. Savings would be **$12,000.00 per year.**
3. Provide the required amount of fruit juice at breakfast per regulatory requirements, have juice available for snacks and use lower cost fluids such as juice drinks, milk, coffee, etc. Savings would be approximately $**40.000.00 per year.**
4. Increase the use of the "Market to Go" program at Cedar Brook and consider adding "Market to Go" at the Fountain Hill Location. (Can be done on lower level or using one side of the main dining room). Additional revenue potential **$13,000.00**
5. Add a Guest Meal option for visitors and family members which would allow direct service to the resident room, rather than the Market Café per the family wish. Additional revenue potential would be **$24,000.00**

Social Services

ASSESSMENT

Cedarbrook Allentown

Social Work

Current Staffing

1 FTE Director

1 FTE Administrative Assistant (SS & Admissions)

4 FTE Social Workers

2 Per Diem

Recommendations

Convert 2 Per Diem to 2 FTE positions

Eliminate Administrative Assistant

Fountain Hill

Social Work

Current Staffing

2 FTE Social Workers

1 Per Diem

Recommendations

Convert 1 Per Diem to 1 FTE

Assessment

There has been a change in the expectations of seniors related to amenities and living space in recent years. When the Allentown facility was constructed, an institutional setting was an acceptable model for nursing facilities. The current generation of seniors needing nursing home placement has different expectations related to the environment where they receive short term care or choose to live for long term care. Privacy and a homelike environment are key factors being considered by consumers seeking nursing home placements. The physical plant at the Allentown facility is institutional compared to current market standards and area competitors. The current

3 and 4 bed rooms with no bathrooms limit the ability to meet the social and emotional needs of the current generation related to dignity and privacy.

The Social Work review consisted of a thorough interview with Director of Social Services which included staffing and current day to day responsibilities to ensure that the psychosocial needs of each resident and their family's needs are being met.

Findings

Director promotes and encourages Patient Centered Care.

Director active in Quality Assurance process.

Director supports end of life care planning.

Staff insufficient to adequately handle current census due to having the extra responsibilities of competing majority of admission paperwork and overall daily tasks associated with Social Work role in long term care.

Hand written assessments and documentation add to inefficiency of meeting the daily documentation needs according to regulation.

Opportunities

Reassign majority of admission paperwork back to Admission staff.

Increase staff to support census along with coverage for time off.

Implement PCC documentation.

Redesign or new construction to provide residents with a homelike environment and privacy for activities of daily living such as bathing, grooming and dressing. Include amenities to improve communication, socialization and resident satisfaction such as phones, televisions and bathrooms.

Addendum

This addendum includes adjusted financial tables and projections based on updated information received from the facility after the report was completed. The variance represents a revision of 2014 projected capital expenditures included in the Capital, Bond Debt and Other line items on the Summary Financial Trend for Option 1 and Option 2. The capital expenditures changed from $974,682 to $629,038, a difference of $345,644.

Operational Losses

Year	Amount
2012	$3,773,000
2013	$4,673,717
Projected	
2014	$5,995,654
2015	$6,279,350
2016	$7,085,943

Option 1: Table 1

Lehigh County Facilities Summary Financial Trend **Option 1 - No Changes**	Actual 2012	Actual 2013	Projected 2014	Projected 2015	Projected 2016
Revenue	$63,449,309	$59,963,860	$61,163,137	$62,386,400	$63,634,128
Operating Expenses					
Wages and Benefits	43,973,459	43,921,403	45,239,045	46,822,411	48,695,308
Other Operating Expenses	17,117,239	15,021,809	15,322,245	15,628,690	15,941,263
Management Fee - Admin & Dietary	631,373	615,572	627,884	640,441	653,250
Total Operating Expenses	61,722,072	59,558,783	61,189,173	63,091,542	65,289,821
Net Operating Income Before County Indirec	1,727,237	405,077	(26,036)	(705,142)	(1,655,693)
County Indirect	3,624,733	4,038,923	4,477,943	4,612,281	4,750,650
Net Operating Income	(1,897,496)	(3,633,846)	(4,503,979)	(5,317,424)	(6,406,343)
Capital, Bond Debt and Other	1,876,104	1,039,870	1,491,675	961,926	679,600
Net Income before Transfer from Operations	(3,773,600)	(4,673,717)	(5,995,654)	(6,279,350)	(7,085,943)
Transfer from Operations	(3,438,230)	(6,376,755)	(5,995,654)	(6,279,350)	(7,085,943)
Net Income	($335,370)	$1,703,038	$0	$0	$0
Census Days	239,806	230,612	229,459	228,312	227,170
Average Daily Census	657.00	631.81	628.65	625.51	622.38

Option 2: Table 2

Lehigh County Facilities Summary Financial Trend **Option 2 - Implementation of Recommendat**	Actual 2012	Actual 2013	Projected 2014	Projected 2015	Projected 2016
Revenue	$63,449,309	$59,963,860	$61,478,200	$62,707,764	$63,961,919
Operating Expenses					
Wages and Benefits	43,973,459	43,921,403	43,338,039	42,887,330	44,602,823
Other Operating Expenses	17,117,239	15,021,809	16,385,653	17,798,042	18,154,003
Management Fee - Admin & Dietary	631,373	615,572	627,884	640,441	653,250
Total Operating Expenses	61,722,072	59,558,783	60,351,575	61,325,813	63,410,075
Net Operating Income Before County Indirect	1,727,237	405,077	1,126,624	1,381,951	551,843
County Indirect	3,624,733	4,038,923	4,477,943	4,612,281	4,750,650
Net Operating Income	(1,897,496)	(3,633,846)	(3,351,319)	(3,230,330)	(4,198,806)
Capital, Bond Debt and Other	1,876,104	1,039,870	1,491,675	961,926	679,600
Net Income before Transfer from Operations	(3,773,600)	(4,673,717)	(4,842,994)	(4,192,256)	(4,878,406)
Transfer from Operations	(3,438,230)	(6,376,755)	(4,842,994)	(4,192,256)	(4,878,406)
Net Income	($335,370)	$1,703,038	$0	$0	$0
Census Days	239,806	230,612	230,189	229,353	228,630
Average Daily Census	657.00	631.81	630.65	628.36	626.38

EHXIBIT 2

rdmolchany

10.20.14

Cedarbrook
D-2 Wing Enhancement
Summary of Cash Flows

Not adjusted for rate increases and/or inflation

	2015	2016	2017	2018	2019	
Incremental Revenue:						
Short Term Facility Room Volume Revenue Increase ($470./day*6*365)	-	1,029,300	1,029,300	1,029,300	1,029,300	$4,117,200
Specialty Therapy ($6.70/day*6*365)	-	14,673	14,673	14,673	14,673	$252,259
Total Incremental Cash Revenue:	**-**	**1,043,973**	**1,043,973**	**1,043,973**	**1,043,973**	**$4,369,459**
Incremental Cash Expenses (Savings):						
Nursing	-	206,376	206,376	206,376	206,376	$825,505
Central Services	-	16,081	16,081	16,081	16,081	$64,324
Social Services	-	6,928	6,928	6,928	6,928	$27,713
Nursing Office	-	21,816	21,816	21,816	21,816	$87,265
Educational Services	-	2,782	2,782	2,782	2,782	$11,128
Resident Assessment	-	7,224	7,224	7,224	7,224	$28,894
Medical Records	-	1,090	1,090	1,090	1,090	$4,360
Physical Therapy	-	11,742	11,742	11,742	11,742	$46,969
Occupational Therapy	-	11,710	11,710	11,710	11,710	$46,839
Barber/Beauty	-	1,887	1,887	1,887	1,887	$7,547
Speech Therapy	-	6,586	6,586	6,586	6,586	$26,344
Therapeutic Recreation	-	10,009	10,009	10,009	10,009	$40,035
Pharmacy	-	12,588	12,588	12,588	12,588	$50,350
Administration	-	17,281	17,281	17,281	17,281	$69,123
Facilities	-	12,152	12,152	12,152	12,152	$48,607
Human Resources	-	1,125	1,125	1,125	1,125	$4,501
Pension	-	16,765	16,765	16,765	16,765	$67,058
Other Benefits	-	79,797	79,797	79,797	79,797	$319,187
Finance	-	2,593	2,593	2,593	2,593	$10,373
Security	-	222	222	222	222	$887
Laundry/Linen	-	10,726	10,726	10,726	10,726	$42,903
Environmental	-	22,466	22,466	22,466	22,466	$89,865
Dining Services	-	52,254	52,254	52,254	52,254	$209,015
	-	-	-	-	-	$0
	-	-	-	-	-	$0
	-	-	-	-	-	$0
	-	-	-	-	-	$0
Total Incremental Cash Expenses:	**-**	**532,198**	**532,198**	**532,198**	**532,198**	**$2,128,793**
Net Incremental Operating Cash Flow	**-**	**511,775**	**511,775**	**511,775**	**511,775**	**$2,240,665**
Capital Investment (enter as a negative)						
Upgrade D-2 Wing, Short Term Rehab	(1,500,000)	-	-	-	-	($1,500,000)
	-	-	-	-	-	$0
	-	-	-	-	-	$0
	-	-	-	-	-	$0
Total Capital Investment	**(1,500,000)**	**-**	**-**	**-**	**-**	**($1,500,000)**
Cash Flow after capital investment	**(1,500,000)**	**511,775**	**511,775**	**511,775**	**511,775**	**$740,665**
		(988,225)	**(476,451)**	**35,324**	**547,099**	

Cedarbrook Allentown
Rightsizing analysis

Revenue						
Room and Board	Dollars	PPD	Days	ADC		
Medicare	$ 5,146,500	$ 470	10,950	30	4.78%	
Managed Care/Ins	$ 1,368,750	$ 375	3,650	10	1.59%	
Private Pay	$ 3,504,000	$ 320	10,950	30	4.78%	
Medicaid	$ 45,920,650	$ 230	199,655	547	87.24%	
Other	$ 1,168,000	$ 320	3,650	10	1.59%	
Total R&B	$ 57,107,900	$ 250	228,855	627	100.00%	
Therapy Revenue	$ 1,534,179	$ 6.70				
MA Other						
Dis share	$ 115,252	$ 0.50	Flat $100K per year			
Net Assessmt	$ 2,400,000	$ 10.49				
P4P	$ 400,000	$ 1.75	$100K per quarter			
Misc Revenue	$ 124,768	$ 0.55				
Total Revenue	$ 61,682,099	$269.52				
	$ 61,682,099	(tim's via audit)				

Expenses				d-2 expenses		Historical PPD	Assumptions for Adjusting Based on Size
Nursing	$ 21,566,326	$ 94.24	35.00%	$ 206,376	100%	$ 94.24	PPD-use Historical Per Patient Day value
Central Services	$ 1,680,466	$ 7.34	2.73%	$ 16,081	100%	$ 7.34	PPD-use Historical Per Patient Day value
Social Services	$ 724,000	$ 3.16	1.18%	$ 6,928	100%	$ 3.16	PPD-use Historical Per Patient Day value
Nursing Office	$ 3,039,725	$ 13.28	4.93%	$ 21,816	75%	$ 13.28	PPD-use Historical Per Patient Day value
Educational Services	$ 290,729	$ 1.27	0.47%	$ 2,782	100%	$ 1.27	PPD-use Historical Per Patient Day value
Resident Assessment	$ 754,861	$ 3.30	1.23%	$ 7,224	100%	$ 3.30	PPD-use Historical Per Patient Day value
Medical Records	$ 113,902	$ 0.50	0.18%	$ 1,090	100%	$ 0.50	PPD-use Historical Per Patient Day value
Physical Therapy	$ 1,227,063	$ 5.36	1.99%	$ 11,742	100%	$ 5.36	PPD-use Historical Per Patient Day value
Occupational Therapy	$ 1,223,681	$ 5.35	1.99%	$ 11,710	100%	$ 5.35	PPD-use Historical Per Patient Day value
Barber/Beauty	$ 197,152	$ 0.86	0.32%	$ 1,887	100%	$ 0.86	PPD-use Historical Per Patient Day value
Speech Therapy	$ 688,241	$ 3.01	1.12%	$ 6,586	100%	$ 3.01	PPD-use Historical Per Patient Day value
Therapeutic Recreation	$ 1,045,906	$ 4.57	1.70%	$ 10,009	100%	$ 4.57	PPD-use Historical Per Patient Day value
Pharmacy	$ 1,315,395	$ 5.75	2.13%	$ 12,588	100%	$ 5.75	PPD-use Historical Per Patient Day value
Administration	$ 3,611,659	$ 15.78	5.86%	$ 17,281	50%	$ 15.78	PPD-use Historical Per Patient Day value
Facilities	$ 2,539,741	$ 11.10	4.12%	$ 12,152	50%	$ 11.10	PPD-use Historical Per Patient Day value
Human Resources	$ 235,156	$ 1.03	0.38%	$ 1,125	50%	$ 1.03	PPD-use Historical Per Patient Day value
Pension	$ 3,503,804	$ 15.31	5.69%	$ 16,765	50%	$ 15.31	PPD-use Historical Per Patient Day value
Other Benefits	$ 8,338,756	$ 36.44	13.53%	$ 79,797	100%	$ 36.44	PPD-use Historical Per Patient Day value
Finance	$ 541,994	$ 2.37	0.88%	$ 2,593	50%	$ 2.37	PPD-use Historical Per Patient Day value
Security	$ 46,351	$ 0.20	0.08%	$ 222	50%	$ 0.20	PPD-use Historical Per Patient Day value
Laundry/Linen	$ 1,120,840	$ 4.90	1.82%	$ 10,726	100%	$ 4.90	PPD-use Historical Per Patient Day value
Environmental	$ 2,347,727	$ 10.26	3.81%	$ 22,466	100%	$ 10.26	PPD-use Historical Per Patient Day value
Dining Services	$ 5,460,530	$ 23.86	8.86%	$ 52,254	100%	$ 23.86	PPD-use Historical Per Patient Day value
Operating Expenses	$ 61,614,007	$269.23	100.00%	$ 532,198	check:	$269.23	
	(61,614,126)	(tim's via audit)					
Operating Income	$ 68,092	$ 0.30					
	$ 67,975	(tim's via audit)					

Allentown		Fountain Hill	
Wing	# beds	Wing	# beds
B1	incomplete data	1	
B2		2	
B3		3	
C1	-	4	
C2		5	
C3			
D1	-		
D2	37		
D3	37		
D4	37		
D5	37		
D6	37		
D7	37		
	222		-

max	today		
670	627	43	23

Notes:

(1) Sources of payment for Long-Term care provided in Nursing Facilities

Provider Type	Medicare	Medicaid	Veterans' Administration	Private Insurance	Self-Pay	Other
Government	6.00%	75.43%	6.00%	2.32%	9.92%	0.33%
Non-Profit	13.81%	55.61%	0.03%	3.07%	26.30%	1.18%
Profit	14.95%	69.18%	0.33%	5.05%	8.90%	0.12%
Statewide	11.59%	66.74%	2.12%	3.48%	15.04%	0.54%
(2) Cedarbrook	4.70%	83.90%	0.00%	0.60%	5.40%	0.10%

(1) Long-Term Care 2013 Statistics and Information", prepared by Leading Edge PA
(2) Cedarbrook averages (September-2014)

*** By providing a Short-Term Rehabilitation Facility Option; Cedarbrook through effective marketing, will increase their Medicare payment to the Government average of 6%. The 1.3% increase will grow volume by six beds per day.**

ROI: 3 year return on investment

rdmolchany

10.20.14

Cedarbrook
D-2 Wing Enhancement
Summary of Cash Flows

Not adjusted for rate increases and/or inflation

	2015	2016	2017	2018	2019	
Incremental Revenue (2013 audit * 3.12%):						
Short Term Facility Room Volume Revenue Increase ($470./day*6*365)	-	1,061,414	1,061,414	1,061,414	1,061,414	$4,245,657
Specialty Therapy ($6.70/day*6*365)	-	15,131	15,131	15,131	15,131	$260,129
Total Incremental Cash Revenue:	**-**	**1,076,545**	**1,076,545**	**1,076,545**	**1,076,545**	**$4,505,786**
Incremental Cash Expenses (Savings) {using 2015 budget}:						
Nursing	-	220,245	220,245	220,245	220,245	$880,982
Central Services	-	16,703	16,703	16,703	16,703	$66,814
Social Services	-	7,601	7,601	7,601	7,601	$30,404
Nursing Office	-	21,310	21,310	21,310	21,310	$85,242
Educational Services	-	2,624	2,624	2,624	2,624	$10,497
Resident Assessment	-	7,959	7,959	7,959	7,959	$31,835
Medical Records	-	1,119	1,119	1,119	1,119	$4,477
Physical Therapy	-	13,275	13,275	13,275	13,275	$53,100
Occupational Therapy	-	14,270	14,270	14,270	14,270	$57,080
Barber/Beauty	-	2,201	2,201	2,201	2,201	$8,805
Speech Therapy	-	7,479	7,479	7,479	7,479	$29,914
Therapeutic Recreation	-	10,508	10,508	10,508	10,508	$42,032
Pharmacy	-	13,804	13,804	13,804	13,804	$55,215
Administration	-	14,532	14,532	14,532	14,532	$58,128
Facilities	-	13,148	13,148	13,148	13,148	$52,590
Human Resources	-	1,890	1,890	1,890	1,890	$7,560
Pension	-	14,558	14,558	14,558	14,558	$58,234
Other Benefits	-	87,879	87,879	87,879	87,879	$351,517
Finance	-	2,695	2,695	2,695	2,695	$10,779
Security	-	168	168	168	168	$670
Laundry/Linen	-	11,588	11,588	11,588	11,588	$46,352
Environmental	-	19,749	19,749	19,749	19,749	$78,995
Dining Services	-	48,581	48,581	48,581	48,581	$194,322
	-	-	-	-	-	$0
	-	-	-	-	-	$0
	-	-	-	-	-	$0
	-	-	-	-	-	$0
Total Incremental Cash Expenses:	**-**	**553,886**	**553,886**	**553,886**	**553,886**	**$2,215,544**
Net Incremental Operating Cash Flow	**-**	**522,659**	**522,659**	**522,659**	**522,659**	**$2,290,242**
Capital Investment (enter as a negative)						
Upgrade D-2 Wing, Short Term Rehab	(1,500,000)	-	-	-	-	($1,500,000)
	-	-	-	-	-	$0
	-	-	-	-	-	$0
	-	-	-	-	-	$0
Total Capital Investment	**(1,500,000)**	**-**	**-**	**-**	**-**	**($1,500,000)**
Cash Flow after capital investment	**(1,500,000)**	**522,659**	**522,659**	**522,659**	**522,659**	**$790,242**
		(977,341)	**(454,682)**	**67,977**	**590,636**	

Cedarbrook Allentown
Rightsizing analysis

Revenue

Room and Board	Dollars	PPD	Days	ADC	
Medicare	$ 5,146,500	$ 470	10,950	30	4.78%
Managed Care/Ins	$ 1,368,750	$ 375	3,650	10	1.59%
Private Pay	$ 3,504,000	$ 320	10,950	30	4.78%
Medicaid	$ 45,920,650	$ 230	199,655	547	87.24%
Other	$ 1,168,000	$ 320	3,650	10	1.59%
Total R&B	$ 57,107,900	$ 250	228,855	627	100.00%
Therapy Revenue	$ 1,534,179	$ 6.70			
MA Other					
Dis share	$ 115,252	$ 0.50	Flat $100K per year		
Net Assessmt	$ 2,400,000	$ 10.49			
P4P	$ 400,000	$ 1.75	$100K per quarter		
Misc Revenue	$ 124,768	$ 0.55			
Total Revenue	$ 61,682,099	$ 269.52	$ 278.46	$ 277.93	
	$ 61,682,099	(tim's via audit)			

Richard Molchany: 2015 revenue/627/365

Richard Molchany: 1269.54*1.0512

Wing	Allentown # beds	Wing	Fountain Hill # beds
B1	Incomplete data	1	
B2		2	
B3		3	
C1	-	4	
C2		5	
C3			
D1			
D2			
D3			
D4	37		
D5	37		
D6	37		
D7	37		
	222		-

Steve Ryan: This section could be used to modify number of beds by unit and the total could be linked to cell F11 to adjust the total average daily census(ADC)

max	today		
670	627	43	23

Notes:

(1) Sources of payment for Long-Term care provided in Nursing Facilities

Provider Type	Medicare	Medicaid	Veterans' Administration	Private Insurance	Self-Pay	Other
Government	6.00%	75.43%	6.00%	2.32%	9.92%	0.33%
Non-Profit	13.81%	55.61%	0.03%	3.07%	26.30%	1.18%
Profit	14.95%	69.18%	0.33%	5.05%	8.90%	0.12%
Statewide	11.59%	66.74%	2.12%	3.48%	15.04%	0.54%
(2) Cedarbrook	4.70%	83.90%	0.00%	0.60%	5.40%	0.10%

(1) Long-Term Care 2013 Statistics and Information", prepared by Leading Edge PA
(2) Cedarbrook averages (September-2014)

*** By providing a Short-Term Rehabilitation Facility Option; Cedarbrook through effective marketing, will increase their Medicare payment to the Government average of 6%. The 1.3% increase will grow volume by six beds per day.**

ROI: 3 year return on investment

Expenses				d-2 expenses		2015 budget
Nursing	$ 23,015,654	$ 100.57	36.23%	$ 220,245	100%	$ 100.57
Central Services	$ 1,745,506	$ 7.63	2.75%	$ 16,703	100%	$ 7.63
Social Services	$ 794,311	$ 3.47	1.25%	$ 7,601	100%	$ 3.47
Nursing Office	$ 2,969,256	$ 12.97	4.67%	$ 21,310	75%	$ 12.97
Educational Services	$ 274,236	$ 1.20	0.43%	$ 2,624	100%	$ 1.20
Resident Assessment	$ 831,690	$ 3.63	1.31%	$ 7,959	100%	$ 3.63
Medical Records	$ 116,954	$ 0.51	0.18%	$ 1,119	100%	$ 0.51
Physical Therapy	$ 1,387,246	$ 6.06	2.18%	$ 13,275	100%	$ 6.06
Occupational Therapy	$ 1,491,202	$ 6.52	2.35%	$ 14,270	100%	$ 6.52
Barber/Beauty	$ 230,028	$ 1.01	0.36%	$ 2,201	100%	$ 1.01
Speech Therapy	$ 781,507	$ 3.41	1.23%	$ 7,479	100%	$ 3.41
Therapeutic Recreation	$ 1,098,083	$ 4.80	1.73%	$ 10,508	100%	$ 4.80
Pharmacy	$ 1,442,500	$ 6.30	2.27%	$ 13,804	100%	$ 6.30
Administration	$ 3,037,175	$ 13.27	4.78%	$ 14,532	50%	$ 13.27
Facilities	$ 2,747,850	$ 12.01	4.33%	$ 13,148	50%	$ 12.01
Human Resources	$ 395,000	$ 1.73	0.62%	$ 1,890	50%	$ 1.73
Pension	$ 3,042,704	$ 13.30	4.79%	$ 14,558	50%	$ 13.30
Other Benefits	$ 9,183,375	$ 40.13	14.45%	$ 87,879	100%	$ 40.13
Finance	$ 563,220	$ 2.46	0.89%	$ 2,695	50%	$ 2.46
Security	$ 35,015	$ 0.15	0.06%	$ 168	50%	$ 0.15
Laundry/Linen	$ 1,210,947	$ 5.29	1.91%	$ 11,588	100%	$ 5.29
Environmental	$ 2,063,746	$ 9.02	3.25%	$ 19,749	100%	$ 9.02
Dining Services	$ 5,076,667	$ 22.18	7.99%	$ 48,581	100%	$ 22.18
Operating Expenses	$ 63,533,872	$ 277.62	100.00%	$ 553,886	check:	$ 277.62
	($1,614,124)	(tim's via audit)				
Operating Income	$ (1,851,773)	$ (8.09)				
	$ 67,975	(tim's via audit)				

Assumptions for Adjusting Based on Size	cedarbrook	f. hill	2015 budget total	per day	d-2	
PPD-use Historical Per Patient Day value	16,283,118	6,732,536	23,015,654	100.57	220,245	
PPD-use Historical Per Patient Day value	1,611,616	133,890	1,745,506	7.63	16,703	
PPD-use Historical Per Patient Day value	660,465	133,846	794,311	3.47	7,601	
PPD-use Historical Per Patient Day value	2,106,605	862,651	2,969,256	12.97	28,414	
PPD-use Historical Per Patient Day value	222,948	51,288	274,236	1.20	2,624	
PPD-use Historical Per Patient Day value	686,361	145,329	831,690	3.63	7,959	
PPD-use Historical Per Patient Day value	116,954	-	116,954	0.51	1,119	
PPD-use Historical Per Patient Day value	1,350,088	37,158	1,387,246	6.06	13,275	
PPD-use Historical Per Patient Day value	1,480,695	10,507	1,491,202	6.52	14,270	
PPD-use Historical Per Patient Day value	230,028	-	230,028	1.01	2,201	
PPD-use Historical Per Patient Day value	781,501	6	781,507	3.41	7,479	
PPD-use Historical Per Patient Day value	785,544	312,539	1,098,083	4.80	10,508	
PPD-use Historical Per Patient Day value	1,442,500	-	1,442,500	6.30	13,804	
PPD-use Historical Per Patient Day value	2,792,845	244,330	3,037,175	13.27	29,064	
PPD-use Historical Per Patient Day value	2,074,449	673,401	2,747,850	12.01	26,295	
PPD-use Historical Per Patient Day value	263,085	131,915	395,000	1.73	3,780	
PPD-use Historical Per Patient Day value	2,167,406	875,298	3,042,704	13.30	29,117	
PPD-use Historical Per Patient Day value	6,541,232	2,642,143	9,183,375	40.13	87,879	
PPD-use Historical Per Patient Day value	421,815	141,405	563,220	2.46	5,390	
PPD-use Historical Per Patient Day value	35,015	-	35,015	0.15	335	
PPD-use Historical Per Patient Day value	1,114,373	96,574	1,210,947	5.29	11,588	
PPD-use Historical Per Patient Day value	1,505,595	558,151	2,063,746	9.02	19,749	
PPD-use Historical Per Patient Day value	3,602,372	1,474,295	5,076,667	22.18	48,581	
	48,276,610	15,257,262	63,533,872	277.62	607,980	
			ck:	277.62		

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Cedarbrook
D-2 Wing Enhancement
Summary of Cash Flows

Not adjusted for rate increases and/or inflation

	2015	2016	2017	2018	2019	
Incremental Revenue: (2013 audit)						
Short Term Facility Room Volume Revenue Increase ($470./day*6*365)	-	1,029,300	1,029,300	1,029,300	1,029,300	$4,117,200
Specialty Therapy ($6.70/day*6*365)	-	14,673	14,673	14,673	14,673	$252,259
Total Incremental Cash Revenue:	**-**	**1,043,973**	**1,043,973**	**1,043,973**	**1,043,973**	**$4,369,459**
Incremental Cash Expenses (Savings){2015 Cedarbrook budget}:						
Nursing	-	220,245	220,245	220,245	220,245	$880,982
Central Services	-	16,703	16,703	16,703	16,703	$66,814
Social Services	-	7,601	7,601	7,601	7,601	$30,404
Nursing Office	-	28,414	28,414	28,414	28,414	$113,656
Educational Services	-	2,624	2,624	2,624	2,624	$10,497
Resident Assessment	-	7,959	7,959	7,959	7,959	$31,835
Medical Records	-	1,119	1,119	1,119	1,119	$4,477
Physical Therapy	-	13,275	13,275	13,275	13,275	$53,100
Occupational Therapy	-	14,270	14,270	14,270	14,270	$57,080
Barber/Beauty	-	2,201	2,201	2,201	2,201	$8,805
Speech Therapy	-	7,479	7,479	7,479	7,479	$29,914
Therapeutic Recreation	-	10,508	10,508	10,508	10,508	$42,032
Pharmacy	-	13,804	13,804	13,804	13,804	$55,215
Administration	-	29,064	29,064	29,064	29,064	$116,256
Facilities	-	26,295	26,295	26,295	26,295	$105,181
Human Resources	-	3,780	3,780	3,780	3,780	$15,120
Pension	-	29,117	29,117	29,117	29,117	$116,467
Other Benefits	-	87,879	87,879	87,879	87,879	$351,517
Finance	-	5,390	5,390	5,390	5,390	$21,559
Security	-	335	335	335	335	$1,340
Laundry/Linen	-	11,588	11,588	11,588	11,588	$46,352
Environmental	-	19,749	19,749	19,749	19,749	$78,995
Dining Services	-	48,581	48,581	48,581	48,581	$194,322
	-	-	-	-	-	$0
	-	-	-	-	-	$0
	-	-	-	-	-	$0
	-	-	-	-	-	$0
Total Incremental Cash Expenses:	**-**	**607,980**	**607,980**	**607,980**	**607,980**	**$2,431,919**
Net Incremental Operating Cash Flow	**-**	**435,993**	**435,993**	**435,993**	**435,993**	**$1,937,540**
Capital Investment (enter as a negative)						
Upgrade D-2 Wing, Short Term Rehab	(1,500,000)	-	-	-	-	($1,500,000)
	-	-	-	-	-	$0
	-	-	-	-	-	$0
	-	-	-	-	-	$0
Total Capital Investment	**(1,500,000)**	**-**	**-**	**-**	**-**	**($1,500,000)**
Cash Flow after capital investment	**(1,500,000)**	**435,993**	**435,993**	**435,993**	**435,993**	**$437,540**
		(1,064,007)	**(628,013)**	**(192,020)**	**243,973**	

EHXIBIT 3

ROTH MARZ PARTNERSHIP, PC

ARCHITECTS
INTERIORS
PLANNERS
PROJECT MANAGERS

CURRENT FACILITY ASSESSMENT
&
FUTURE OPTIONS STUDY

LEHIGH COUNTY

CEDERBROOK NURSING HOME

350 SOUTH CEDARBROOK ROAD
ALLENTOWN, PA

APRIL 2017

Roth Marz Partnership, PC
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1. Cost Estimate, All Options

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   - EX-1 Existing Conditions 1st Floor Plan
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   - AR-1 1st Floor Overall Renovation Areas
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5. MECHANICAL, ELECTRICAL, AND PLUMBING SYSTEMS, BUILDING EVALUATION, PREPARED BY STRUNK-ALBERT ENGINEERING (Bound Separately)

I. GENERAL COMMENTS AND EXISTING CAMPUS SUMMARY

Purpose: To conduct an analysis of the facility's existing buildings, interior and exterior, along with the facility's site elements and offer opinions and recommendations related to observed deficiencies, repairs, replacements and improvements.

Roth Marz Partnership has conducted multiple site visit surveys of existing buildings and site in late 2016, and has reviewed approximately 350 construction and renovation drawings provided by the Owner. Updated cad plans were prepared reflecting current existing conditions and are available to the Owner in both cad and pdf formats.

The existing main facility is composed of multiple wings and additions, including:

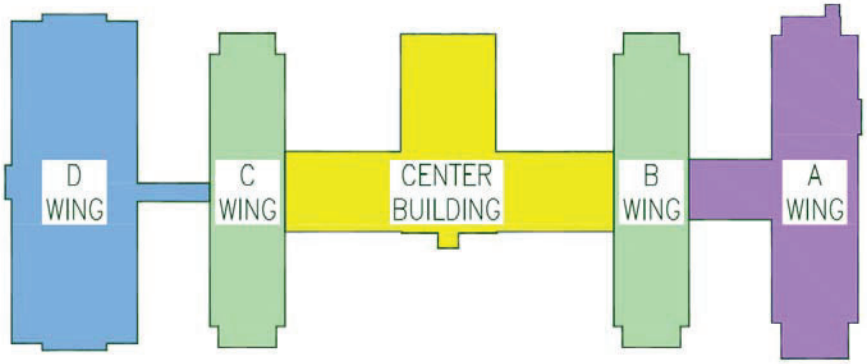
- A Wing: Constructed in 1958 and renovated into assisted living apartments in 2002.
- B Wing: Constructed circa 1925 with multiple renovations.
- Center Building: Constructed circa 1925 with multiple renovations including kitchen renovation and kitchen addition in 1995.
- C Wing: Constructed circa 1925 with multiple renovations.
- D Wing: Constructed in1970 with multiple renovations.

Laundry Building was constructed in 1973.
Boiler House was constructed in the 1920's and renovated in 1961 and 2004.

II. SCOPE ITEM 4.0, CURRENT FACILITIES ASSESSMENT

A. GENERAL

Below find a summary of facility buildings. The main facility is listed by wing as follows:



MAIN FACILITY DETAILED BREAKDOWN

BUILDING	FLOOR	OCCUPANCY DESCRIPTION	SF AREA	BED COUNT
A WING	Basement	Currently Unoccupied Treatment Areas	11,814	0
	1st Floor	Assisted Living Apartments	11,471	0
	2nd Floor	Assisted Living Apartments	11,471	0
	3rd Floor	Assisted Living Apartments	11,471	0
B WING	Basement	Facilities Maintenance	7,810	0
	1st Floor	Nursing Unit And Offices	7,810	18
	2nd Floor	Nursing Units	7,810	40
	3rd Floor	Nursing Units	7,810	27
CENTER BLDG	Basement	Facilities Maintenance/Unexcavated	2,206	0
	1st Floor	Kitchen, Dining, Support Areas	17,024	0
	2nd Floor	Main Entry-Auditorium-Offices-Support	12,991	0
	3rd Floor	Aud Balcony-Chapel-NU (3B & 3C)	12,991	26
C WING	Basement	Unexcavated	0	0
	1st Floor	Offices, Resident Lounge, Beauty Shop	7,810	0
	2nd Floor	Nursing Units	7.810	36
	3rd Floor	Nursing Units	7,810	31
D WING	Basement	Storage and Facility Maintenance	14,787	0
	1st Floor	PT, CSR, Offices, Storage, HC Entrance	14,890	0
	2nd Floor	Nursing Units	14,692	45
	3rd Floor	Nursing Units	14,691	49
	4th Floor	Nursing Units (Dementia)	14,246	49
	5th Floor	Nursing Units (Dementia)	14,246	49
	6th Floor	Nursing Units (Dementia)	14,246	49
	7th Floor	Nursing Units (Dementia)	14,246	49
		Totals, Main Facility	262,154	468

MAIN FACILITY – SUMMARY BY WING AND BY FLOOR

BY WING	SF AREA	# BEDS
A Wing	46,227	0
B Wing	31,240	85
Center Bldg	45,212	26
C Wing	23,430	67
D Wing	116,045	290
Totals	262,154	468

BY FLOOR	SF AREA	# BEDS
Basement	36,617	0
1st Floor	59,005	18
2nd Floor	54,774	121
3rd Floor	54,774	133
4th Floor	14,246	49
5th Floor	14,246	49
6th Floor	14,246	49
7th Floor	14,246	49
Totals	262,154	468

SHIPPING/RECEIVING BUILDING AND BOILER HOUSE DETAILED BREAKDOWN

BUILDING	FLOOR	OCCUPANCY DESCRIPTION	SF AREA
SHIPPING/	Basement	Tunnel Access To D Wing	855
RECEIVING	1st Floor	Laundry Receiving, 911 Offices, Storage	14,270
		Total	15,125
TUNNEL		Connection Between S/R And D Wing	1000
BOILER HOUSE	Ground Fl	Facility Maintenance, Boiler Rm	2165
	1st Floor	Facility Maintenance, Upper Boiler Rm	2065
		Total	4230

FLOOR TO FLOOR HEIGHTS

BUILDING	FLOOR	FLOOR TO FLOOR HEIGHT	TYPICAL CEILING HEIGHT
MAIN BUILDING	Basement to 1st Fl, A-Wing Basement to 1st Fl – B-C Wings Basement to 1st Fl – D Wing	11'-6" 9'-0" 11'-8"	8'-6"/9'-0" 8'-0"/8'-6" 9'-0"/9'-6"
	1st Fl-2nd Fl	11'-6"	8'-0"/8'-6"/9'-0"
	2nd Fl-3rd Fl	11'-6"	8'-0"/8'-6"/9'-0"
	3rd Fl-Roof (A-B-C Wings)	11'-6"	8'-0"8'-6"/9'-0"
	3rd Fl-4th Fl (D-Wing)	11'-6"	8'-0"
	4th Fl-5th Fl (D-Wing)	11'-6"	8'-0"
	5th Fl-6th Fl (D-Wing)	11'-6"	8'-0"
	6th Fl-7th Fl (D-Wing)	11'-6"	8'-0"
	7th Fl-Roof (D-Wing	11'-6"	8'-0"
SHIPP'G/RECEIV	Basement-1st Fl	19'-8"	N/A
	1st Fl-Roof	18'-0"	10'-0"
BOILER HOUSE	Ground Fl-1st Fl	10'-10"	NA
	1st Fl-Roof	12'-4"	N/A

B. BUILDING MATERIALS

A Wing:

Structure:	Steel Frame Structure, Concrete Floor/Roof Slabs
Interior:	Combination of CMU and Metal Stud/Gypsum Wall Board Partitions Terrazzo flooring in Corridors, VCT in apartments, sheet vinyl in toilets, carpet in dining and lounge areas. Wall finishes have vinyl wall covering in lobby, dining, lounge, TV room; balance are painted. Ceilings generally are suspended acoustic panel systems. Handrails throughout corridors. Basement level approximate 30" lower than B Wing basement. Ramp occurs in corridor of connecting arm.
Exterior:	Brick veneer Windows – Alum frame w/ ¼" glass (original 1958 construction); 2002 lobby has alum frame w/ insulated glass.
Roof:	Membrane roofing, replaced 2004 with a 20 yr warranty. No information on insulation type or thickness available.
Comments:	Overall, A-Wing is in good condition. Some ceiling damage can be seen from unit ventilator leaks. A program of window replacement to increase thermal performance would be warranted. No structural issues observed. Center entry canopy showing some soffit plaster deterioration. Roof is in good condition.

B Wing/Center Building/C Wing:

Structure:	Main Building – 1970 Kitchen Addition – Steel frame, concrete floor/roof slab. 1995 Kitchen Addition – Concrete block, bearing; steel roof joists, metal deck.
Interior:	Mainly CMU partitions; Also present are metal stud partitions with gypsum wallboard or plaster. Terrazzo flooring in corridors; mosaic ceramic tile in nursing unit toilet and shower rooms; VCT or carpet elsewhere. Wall finishes are mainly painted; ceramic tile wainscot in corridors; ceramic wall tile in nursing unit toilet and shower rooms and auditorium lobby toilet rooms. Ceilings are mainly original plaster, painted; suspended acoustic panel systems appear sporadically. Handrails throughout corridors. Kitchen upgrade in 1995 – interior finishes and equipment. 1st floor C Wing level is lower than D Wing 1st floor. Ramp occurs in corridor of C Wing before D Wing connecting link.
Exterior:	Brick veneer with stone trim and cornices; CMU backup. Windows – No information available for age; appear in good condition. Sundeck over 1970 Kitchen Addition – wood planking, steel guard/handrails, steel stair to grade on north side. Main Entry Porch Structure – Brick-Steel, Metal Fascia.
Roof:	Granule surfaced roofing membrane, replaced 2010 with a 20 yr warranty. No information on insulation type or thickness available. 1970 Kitchen Addition – No information on roofing. 1995 Kitchen Addition – EPDM with 4" Rigid Insulation. Some ponding observed and marked on existing conditions plans.

Comments:
a. Existing main facility entrance is not accessible and it is the facility's desire to renovate in order to provide accessibility and enhance entry appearance. East side shows deterioration in brick and roofs; leaking evident on landing and concrete stairs causing concrete spalling. Soffit plaster showing some deterioration.
b. Brick deterioration is evident mainly around top of 3rd floor window line. Some cracks in brickwork can be seen on back side (north side) of building. Areas of brick replacement can be seen, mostly on back side of building. Façade should undergo a program of repair, see Item I, Architectural Recommendations, below.
c. Windows should undergo a program of replacement. This can be done as part of the renovation projects if/when they proceed.
c. Generally speaking, interior finishes are in good condition.
d. No structural issues observed.
e. Roof is in good condition.

D Wing:

Structure: Steel frame with spray-on fireproofing, concrete floor slabs, metal roof deck with spray-on fireproofing.

Interior: Basement and 1st floor interior partitions mainly CMU; 2nd -7th floor interior partitions mainly metal stud and plaster or gypsum wallboard in renovated areas.
Flooring is mainly terrazzo; basement is exposed concrete.
Ceramic tile wainscot 5'-6" h in corridors.
Handrails throughout corridors.
Ceramic tile floor and wall tile in group toilet and bathing rooms.
Ceiling is mainly suspended acoustic panel system; plaster in group toilet and bathing rooms.
1st floor level is lower than D Wing 1st floor. Ramp occurs in corridor of C Wing

Exterior: Brick veneer with CMU backup, plaster finish. Brick veneer is in good shape.
Windows – Resident room window replacement done 6-7 years ago – aluminum frame with insulated glass. Balance of windows original to 1970 building -

Roof: Membrane roofing, replaced 2009 with a 20 yr warranty. No information on insulation type or thickness available.
Penthouse of steel structure/wall panel construction. Encloses elevator houses and HVAC unit, as well as 911 equipment.

Comments: Overall, D Wing is in good condition.

C. DOH/LIFE SAFETY AND IBC CODE SUMMARY

1. DOH/Division Of Nursing Care Facilities
   - Applicable Codes:
     PA Title 28, Part IV, Subpart C, Long-Term Care Facilities
     Guidelines For Design And Construction Of Residential Health, Care, And Support Facilities, 2014, Facility Guidelines Institute

2. DOH/Division Of Safety Inspection
   - Applicable Codes:
     NFPA 101 Life Safety Code (2012), Chapter 19 Existing Health Care Occupancies and applicable common element chapters.

- DOH Div Of Safety Inspection Facility ID#550102, basic description:
  Facility has 2 components – 01, A Wing, Independent Living Apartments, and 02, B Wing/Center Bldg/C Wing/D Wing, Skilled Nursing Facility.
  Facility is classified as mixed occupancy with 2 hour fire rated separation between Components.
  Component 02, Building 02, is classified as a 7 story Type II (222) fire resistive structure with basement and unused crawl spaces, fully sprinklered.
  Note: Type II(222) equates to 2 hr fire rating for bearing walls-structure-floors, 1 hr fire rating for roof, 0 hr fire rating for non-bearing exterior walls.
- Smoke Compartments limited to 22,500 sf and maximum travel distance of 200 ft.
  Facility Component 02 (B-Center Bldg-C-D) has 26 smoke compartments; specific layout not available from Owner.
- D Wing 4th – 7th floors house dementia units and have electronic access control on stair towers and elevator call buttons.

3. PA Department Of Labor And Industry Or Local Municipality

- Applicable Codes:
  Unified Construction Code (UCC), Including 2009 International Construction Codes (ICC) and 2012 International Building Code (IBC) Chapter 11 & Appendix E Renovation – 2009 International Existing Building Code (IEBC)
  American National Standard Institute (ANSI) A117.1-2009
- Occupancy Classification: Group I-2, Institutional
- Construction Classification: Type I-B (2 Hr Fire Rating For Structure, Bearing Walls, Floors; 1 Hr Fire Rating For Roof)
- Allowable Building Heights And Areas:
  Type 1-B Construction Type and I-2 Occupancy Group allows unlimited floor areas and 4 stories in height.
  Comment: In the absence of specific construction type information, assignment of Construction Type I-B is based upon DOH construction classification of Type II(222), reflecting 2 hr rated construction for bearing walls-structure-floors. It is evident that D wing exceeds the story height for this classification. Since the D wing was built prior to adoption of current codes, it should be researched thoroughly upon any major renovation work. To become compliant, it would have to be classified as a Type I-A construction type, allowing unlimited height, which increases the fire rating for structure to 3 hours and roof construction to 1 ½ hrs. Fire rating for floors remains at 2 hrs. Bearing walls are not applicable.
  The level of existing spray fireproofing and concrete thicknesses should be analyzed to determine current level of fire rating. Additionally, although unlikely, the possibility of grandfather status explored with municipality having jurisdiction (South Whitehall Township).
  Deficiency remediation could be accomplished via application of additional fire-proofing or additional encapsulation.

4. Zoning, South Whitehall Township
   - Facility falls within zoning district R4, Medium Density Residential. Expect a variance process required for an existing non-conforming use for any new buildings.
   - Facility borders Lower Macungie Township.
   - Zoning code indicates site falls within an area of Karst Geology including soluble rocks such as limestone and prone to sinkholes.
   - Per zoning regulations, sections 350-12.46:
     Maximum Building Height – 50 ft

Maximum Building Coverage – 40% of gross tract area.
Maximum Impervious Coverage – 75% of gross tract area.
Common Open Space – 15% of gross tract area.
Medical Offices shall be limited to those needed to serve current residents, including a Nursing Home.

D. ACCESSIBILITY

- Applicable Codes:
  International Existing Building Code 2009; International Building Code 2009 Chapter 11.
  American National Standard Institute (ANSI) A117.1-2009
  Federal Americans With Disabilities Act
- Accessible Route
  Currently, the main accessible route into the facility is available at the south side of D wing via a covered ramp. HC parking is located in the main lot in the vicinity of this ramp and in the lot to the west of the D wing
  HC parking is provided adjacent to the A wing grade entry.
  The main facility entry is not accessible, and would require major renovation to achieve accessibility (see Scope Item 5.0).
- Toilet Facilities: There are a limited number of toilet facilities that are currently accessible. This would be rectified if/when renovation projects proceed.
- Door sizes: A few 5 ft door pairs exist in main circulation corridors and stairways which do not meet accessibility standards for width. It was noted that many of these pairs have been replaced with unequal leaf door pairs allowing for a 3 ft and 2 ft door, meeting accessibility standards. The remaining noncompliant doors can be replaced if/when renovation projects proceed.
- Stair Towers: Thresholds applied at stair tower doors as a safety precaution to prevent wheel chair entrance exceed allowable height for a floor level change.
- Auditorium: Stage is current inaccessible, although the level change difference is small. The stage height is approximately 22” above the floor level and it would not be unreasonable to achieve accessibility through the installation of a ramp in one of the backstage areas that occur on either side of the stage.
- Misc: Items such as mounting heights and maneuvering clearances generally do meet accessibility standards and can be corrected if/when renovation projects proceed to the extent required by the International Existing Building Code.
- Area of Refuge: Current none exist. This would be rectified if/when renovation projects proceed.

E. ELEVATORS AND STAIRS

Elevator #1, C Wing – Passenger Elevator
Elevator #2, B-Wing – Passenger Elevator
Elevator #3, B-Wing – Abandoned Dumb Waiter
Elevator #4, A-Wing – Passenger Elevator
Elevator #5, D-Wing – Passenger Elevator
Elevator #6, D-Wing – Passenger Elevator
Elevator #7, D-Wing – Service Elevator With Roof Access
Elevator #8 – Abandoned Function Unknown
Elevator #9, A-Wing – Passenger Elevator
Comments: All elevators are in satisfactory condition.
Elevator #1 had new brakes and cables in 2016.
Elevators In D Wing Have Call Button Access Deterrents on 4th-7th floors.

A Wing Front And Rear Stair Towers
- Unequal Door Pairs (3 ft and 2 ft wide), B Label 1 ½ Hr Fire Rated
- Handrails do not have extensions required by current code.
- Front Stair exits to grade (not accessible) at basement level. Rear Stair exits to grade through lobby at basement level.

A Wing Center Stair Tower
- Unequal Door Pairs (3 ft and 2 ft wide), B Label 1 ½ Hr Fire Rated
- Handrails do not have extensions required by current code.
- Exits to grade at basement level.

B Wing Front And Rear Stair Towers
- Current 30” door pairs should be replaced with unequal door pairs (3 ft and 2 ft wide), B Label 1 ½ Hr Fire Rated
- Floor tile at landings probably vinyl asbestos tile
- Handrails do not have extensions required by current code.
- Both Front and Rear Stair exit to grade (not accessible) between basement and 1st floor level.

Center Building Stair Tower
- Protected by B Label 1 ½ Hr Fire Rated doors occurring In corridors on 1st and 2nd floors and at stair on 3rd floor.
- Handrails do not have extensions required by current code.
- A half-door occurs at the stair on 2nd and 3rd floors, presumably as a safety measure. However this door does not allow for a proper landing size at the stair and it’s compliance is suspect.
- Stair exits to grade through facility main lobby at 1st floor level (not accessible).

C Wing Front And Rear Stair Towers
- Current 30” door pairs should be replaced with unequal door pairs (3 ft and 2 ft wide), B Label 1 ½ Hr Fire Rated
- Floor tile at landings probably vinyl asbestos tile
- Handrails do not have extensions required by current code.
- Both Front and Rear Stair exit to grade (accessible) at 1st floor level.

D Wing Front And Rear Stair Towers
- Current 30” door pairs should be replaced with unequal door pairs (3 ft and 2 ft wide), B Label 1 ½ Hr Fire Rated
- Handrails extensions compliant.
- Both Front and Rear Stair exit to grade at 1st floor level. Front Stair serves as facility’s accessible entrance.
- Both stair towers on 4th-7th floor have access control via electronic keypad (dementia units).

F. SHIPPING/RECEIVING BUILDING

Structure	Steel frame.
Interior	Masonry (CMU) partitions, painted. Mainly exposed concrete floor. Ceramic Tile in toilet/locker rooms, floors and walls. 911 office has carpet floor and lay-in acoustic tile ceiling. Tunnel connection to D Wing Basement includes stair and elevator access.
Exterior	Brick Veneer. Loading dock facilities on east side.
Roof	Membrane roof, poor condition. Insulation unknown. Corner over 911 office replaced within last several years.
Comments	Overall, building is in good condition. Recommend roof replacement. Houses emergency generators along with shipping/receiving functions and storage. Wood ramp accesses building on north side.

G. BOILER HOUSE

Structure	Masonry exterior walls, steel beams; wood plank roof. Information unavailable to determine if exterior walls are bearing.
Interior	Exposed masonry walls, painted, concrete floors; quarry tile in front section.
Exterior	Brick/Plaster Walls
Roof	White PVC roof, 1-2 years old; appears in good condition. Aluminum box gutters/square downspouts in good condition.
Comments	Overall, building is in good condition. Some cracking noticed in exterior plaster. Minimal brick damage observed on southeast corner near grade. Chip in foundation wall observed on northeast corner. Exterior wall in window well on north-west corner needs reparging/repainting, both inside and outside.

H. SITE

Parking Tabulation: 433 Total Parking Spaces (including 22 HC pkg spaces) as follows:

227	Pkg Spaces	South Lot; Includes Visitor Pkg and (8) HC pkg spaces
63	Pkg Spaces	South-West Staff Lot
36	Pkg Spaces	West Lot Opposite D Wing; Includes (6) HC pkg spaces
49	Pkg Spaces	Lot At Shipping/Receiving; Includes (2) HC pkg spaces
4	Pkg Spaces	Along North drive opposite kitchen
18	Pkg Spaces	Lot adjacent to Pavilion; Includes (2) HC pkg spaces
5	Pkg Spaces	Along drive east of A-Wing; Includes (2) HC pkg spaces
31	Pkg Spaces	Lot around Boiler House; Includes 10 spaces reserved for Brookview Residents and (2) HC Pkg Spaces; Additional, pkg for facility vans in this area.

Storm Water:

Existing spring house east of Boiler House drains into Cedar Creek via an open drain.

A 12” concrete pipe runs along the north side of the facility under existing drive and picks up roof run-off and drive run-off via various inlets.

A 10” concrete pipe along west side of D wing collects drive and D Wing parking lot runoff and ties into 12” line.

Courtyard drainage between C and D wings also tie into 12" line via area drains and 10" concrete pipe.
Area between C Wing and Center Building tie into 12" line via area drains and 6" concrete pipe.
Loading dock area drainage ties into 12" line via inlets and 6" concrete pipe.

Main 12" concrete pipe runs north of the boiler house and ties into open drain at the spring house. Existing system appears adequate to handle facility run-off.

Pipe sizes/locations based upon Pidcock Co. Consulting Engineers, 1970 drawings for Sanitary Sewage System Modifications and Additions.

Miscellaneous/Comments:
-Oxygen tank located west of D Wing.
-South Whitehall water tower and pump shed located west of Shipping/Receiving; concrete barrier storage at west end of Shipping/Receiving parking lot.
-8" Pipeline runs along western side of site and angles to the east north of the Shipping/Receiving building. Current status unknown.
-Storage Shed located east Shipping/Receiving in fair to poor condition.
-Unoccupied building located north of Shipping/Receiving in poor condition.
-Open pavilion located north of A Wing in good condition.
-Buildings to the east (including spring house) and south of Boiler House not investigated.
-Guardhouse at facility entry unoccupied and in good-fair condition.
-A pedestrian walking lane is marked on drives surrounding the facility.
-(3) pedestrian cross walks located along south side of facility leading to D-Wing, Main Entry, and A-Wing; (1) pedestrian cross walk located east of A Wing from pkg spaces; (1) pedestrian cross walk located north of A Wing leading to Pavilion and adjacent pkg lot.
-Fire lane located in front of D-Wing.
-(2) exterior courtyards located between C and D wings, one north of the connecting link and one south of the connecting link. Courtyards mostly hard surface; north courtyard contains a small pavilion. Both are in good condition, have accessible access, and nicely landscaped.
-Parking lots and drives show normal deterioration but no serious problems or sinkage.
-Split rail fence along retaining wall at B Wing is in good condition but does not meet requirements for a guard rail and should be replaced with compliant guard rail.
-Generally, exterior railings do not meet code for guard rail configuration and hand rail extensions (exception – exterior metal stair to roof deck above kitchen).

I. ARCHITECTURAL RECOMMENDATIONS

1. Shipping/Receiving building roof replacement.

2. Façade Restoration
   a. Overall cleaning and application of water repellant, main facility.
      1. Sporadic mold and general staining occurs, See photo 1 for typical condition.
      2. Sporadic efflorescence
   b. Façade Repair: Brick replacement, repointing, crack repair
      General: A Wing and D Wing have little or no repair required. Repair is mainly required on B Wing, Center building, and C Wing, as one may expect due to the age of these structures. Following are examples, not a full inventory.
      1. A Wing
         - Some minor foundation wall cracks observed along south side. See photo 2 for typical condition.
      2. B Wing
         - Brick deterioration which will require replacement: SE and NE sides between 3rd floor windows and upper trim, and south side above and below upper trim band. See photo 3 for typical condition.
         - Brick repointing required in several spots.
         - Crack in brick on NW corner near 3rd fl window, probably caused from mounting of security camera. See photo 4.
         - Some minor foundation cracks observed along S and SW sides. See photo 5 for typical condition.
         - Joint crack in stone retaining wall crack at mid-point of wall. See photo 6.
      3. Center Building
         - Brick deterioration which will require replacement: SW side, above 3rd floor windows. See photo 3 for typical condition.
         - Brick repointing required in several spots.
         - Trim repair required at several locations S Side; see photo 7 for typical condition.
         - Entry Porch - Brick deterioration requiring replacement, concrete spalling requirement repair – see photos 8, 9.
         - Crack in brick on chimney on NW corner following mortar joints, starting approx. 3 ft from top and extending to 6 ft from btm. See photo 10
      4. C Wing
         - Observed brick deterioration which will require replacement: SE and south side above and below upper trim band and above 3rd fl windows. See photo 3 for typical condition.
         - Brick repointing required in several spots.
         - Repointing and trim repair at SW corner – see photo 11.
         - Brick crack/displacement requiring repair/brick replacement on NW corner near window – see photo 12
         - Courtyard concrete deterioration – see photos 13,14 for typical condition.
      5. D Wing
         - No issues observed.
      6. Boiler House
         - Minor cracking in plaster, see photo 15.
         - Brick deterioration which will require replacement, SE corner, see photo 16.
         - Minor damage to foundation wall, NE corner, see photo 17.

3. Correction of miscellaneous smaller deficiencies noted in B, F-H above could be handled as maintenance items as schedules permit.

4. Correction of miscellaneous deficiencies noted in C, D, and E above would be addressed if/when renovation projects proceed.

FAÇADE RESTORATION PHOTOS:

Photo 1
Typical mold/staining condition, B-Center Bldg-C Wings

Photo 2
Item 2.b.1– A Wing Foundation Crack

Photo 3
Item 2.b.2 – Typical Brick Deterioration

Photo 4
Item 2.b.2 - B Wing Crack, NW Corner

Photo 5
Item 2.b.2 - B Wing Foundation Crack

Photo 6
Item 2.b.2 – B Wing Retaining Wall Crack

Photo 7
Item 2.b.3 – Center Bldg Trim

Photo 8
Item 2.b.3 – Main Entry Porch Brick Deterioration

Photo 9
Item 2.b.3 – Main Entry Concrete Spalling

Photo 10
Item 2.b.3 – Center Bldg Chimney Crack

Photo 11
Item 2.b.4 – C Wing Repointing/Trim Damage

Photo 12
Item 2.b.4 – C Wing Brick Crack/Displacement

Photo 13
Item 2.b.4 – C Wing Courtyard Concrete Damage

Photo 14
Item 2.b.4 – C Wing Courtyard Concrete Damage

Photo 15
Item 2.b.6 – Boiler House Plaster Crack

Photo 16
Item 2.b.6 – Boiler House Brick Deterioration

Photo 17
Item 2.b.6 – Boiler House Foundation Wall Damage

J. ARCHITECTURAL SKETCHES (See Appendix)

Sketches Applicable To Scope Item 4.0 Include:

EX-SP	Existing Conditions, Site Plan
EX-B	Existing Conditions, Basement Floor Plan
EX-1	Existing Conditions, 1st Floor Plan
EX-2	Existing Conditions, 2nd Floor Plan
EX-3	Existing Conditions, 3rd Floor Plan
EX-4	Existing Conditions, 4th Floor Plan and Roof Plan
EX-5	Existing Conditions, 5th-7th Floor Plan and Roof Plan, D Wing

K. MEP ASSESSEMENT AND RECOMMENDATIONS

See enclosed report, “Mechanical, Electrical, And Plumbing Systems, Building Evaluation, prepared by Strunk-Albert Engineering” (Bound Separately)

III. SCOPE ITEM 5.0, FUTURE OPTION #1 – EXISTING FACILITY REHABILITATION WITHOUT EXPANSION

A. ANALYSIS SUMMARY AND RECOMMENDATIONS

The 2014 Fedetz & Martin Feasibility Study Bed Count Analysis was reviewed for code compliance utilizing the *Guidelines for Design and Construction of Hospital and Health Care Facilities*, and current PA DOH Division of Nursing *Title 28, Part IV, Subpart C Long Term Care Facilities.*

Fedetz & Martin Schematic Plans were found lacking in some support spaces (for instance, soil utility, equipment storage) and had some bed count calculation errors. RMP's schematic nursing unit layouts result in a total bed count of 360 verses the 368 beds noted in the Fedetz & Martin report.

RMP schematic layouts follow the Fedetz & Martin layouts in providing a mix of private and semi-private resident rooms with toilet/shower facilities as follows:

20 Beds	(5.6%)	have access to: Private toilet within room
74 Beds	(20.6%)	have access to: Semi-Private toilet within room
12 Beds	(3.3%)	have access to: Semi-Private toilet with shower within room
132 Beds	(36.7%)	have access to: Toilet shared between 2 rms serving 3-4 residents
112 Beds	(31.1%)	have access to: Toilet w/shower shared between 2 rms serving 4 residents
10 Beds	(2.7%)	have access to: No toilet or shower facility within room

Currently 1st floor B-Wing has offices located in southern half of the wing. In this study's renovation plan and bed count, this area has been converted back to resident rooms and offices will need relocation.

Renovation also includes correction of deficiencies noted in item II, such as lack of areas of refuge for stair towers, railing deficiencies in stair towers, adding accessible toilet facilities, 30" door widths, etc.

Renovation of the facility's main entry is included in this portion to provide an accessible entrance. The proposed scheme includes:

- - Removing grade and installation of retaining walls in the area of the entry and new drive, moving the entrance to the building from the 2nd floor to the first floor. HC parking is provided in this new drive area.
- - A small building addition is shown housing a vestibule, an elevator to facilitate movement from 1st to 2nd floors and new toilets on the 1st floor, plus a lounge area on the 2nd floor.
- - 1st floor renovation in the existing facility would introduce a new reception area and gift shop; Staff Dining would be reduced to accommodate the changes; the existing resident lounge is not affected..
- - 2nd floor renovation would provide a more direct path to the Auditorium and expansion of the existing library; new accessible toilet facilities and conference.

B. BED COUNTS

Currently the County has a total of 670 licensed beds, 197 beds at the Fountain Hill facility and 473 beds at the Cedarbrook-Allentown facility. The proposed renovation bed count would reduce the number of licensed beds at Cedarbrook-Allentown by 113.

PROPOSED RENOVATION BED COUNT

By Wing				By Floor		
	# Beds	Wing Total			# Beds	Floor Total
B Wing 1st Fl	17			1st Fl B Wing	17	
B Wing 2nd Fl	17			1st Fl C Wing	0	
B Wing 3rd Fl*	30	64		1st Fl D Wing	0	17
C Wing 1st Fl	0			2nd Fl B Wing	17	
C Wing 2nd Fl	20			2nd Fl C Wing	20	
C Wing 3rd Fl*	30	50		2nd Fl D Wing	41	78
D Wing 1st Fl	0			3rd Fl B Wing*	30	
D Wing 2nd Fl	41			3rd Fl C Wing*	30	
D Wing 3rd Fl	41			3rd Fl D Wing	41	101
D Wing 4th Fl	41					
D Wing 5th Fl	41			4th Fl D Wing	41	41
D Wing 6th Fl	41			5th Fl D Wing	41	41
D Wing 7th Fl	41	246		6th Fl D Wing	41	41
				7th Fl D Wing	41	41
	Bed Total	360			Bed Total	360

*3rd Floor B Wing and 3rd Floor C Wing includes resident rooms extending into Center Building

C. COST ESTIMATE AND SCHEDULING

Scheduling:

Obviously, all the nursing unit renovations will need to be done in multiple phases. In order to minimize the cost premium that is seen on smaller renovation projects, it would be advantageous to cover as many nursing units as possible in each renovation. An additional consideration involves the vertical alignment of the mechanical component which would be most efficiently accomplished on a per wing basis,

Understanding that the facility's census will ultimately be reduced by 113 beds, two phasing organization options would be available. One would be to reduce the census by 113 beds immediately and initiate renovation on as many nursing units as that will allow in order to reduce the total renovation time line. A second option would be to extend the renovation time line and gradually reduce the census.

An immediate census reduction of 113 beds could allow the following renovation scenario:

D Wing 2nd & 3rd Floors
D Wing 4th & 5th Floors
D Wing 6th & 7th Floors
B Wing 1st, 2nd & 3rd Floors
C Wing 2nd & 3rd Floors

Assuming approximate 8 months per renovation for construction, and 6 months design time prior to commencement of construction, time to complete would be approximately 4 years.

The 2nd option of gradual census reduction would probably double this time frame and increase cost due to inefficiencies and general cost escalation.

Renovation of the main facility entrance to provide an accessible entry is included in this scope item. Refer to architectural sketch AR-4.

Cost Estimate:

Refer to appendix at the end of this report

D. ARCHITECTURAL SKETCHES (See Appendix)

Sketches Applicable To Scope Item 5.0 Include:

AR-1 1st Floor Overall Renovation Areas
AR-2 2nd Floor Overall Renovations Areas
AR-3 3rd Floor Overall Renovation Areas
AR-4 Main Entry Renovation
AR-5 B Wing Nursing Unit Renovation (1-B, 2-B, 3-B)
AR-6 C Wing Nursing Unit Renovation (2-C, 3-C)
AR-7 D Wing Nursing Unit Renovation (2-D, 3-D)
AR-8 D Wing Nursing Unit Renovation (4-D, 5-6-7-D)

IV. SCOPE ITEM 6.0, FUTURE OPTION #2 – EXISTING FACILITY REHABILITATION WITH BUILDING ADDITION

A. ANALYSIS SUMMARY AND RECOMMENDATIONS

A building addition was explored to bring the bed count in line with current levels after renovation of B, C and D wings. For renovation of existing facility nursing units, refer to Section III, Scope Item 5.0, Future Option #1 – Existing Facility Rehabilitation Without Expansion.

Several siting options for the addition were explored:

- A linear building addition located to the west of D wing. This option was deemed too close to existing Rt 78/309.
- An L-shaped building addition located on the site of the existing shipping/receiving building with a bridge tie to D wing. This option was deemed unacceptable because it placed the new addition at the rear of the facility, an area less desirable aesthetically, and would require construction of a replacement building to house shipping/receiving functions along with emergency generators currently housed in this building. Additionally, the existing tunnel function would not be available to movement of materials from shipping/receiving.
- The preferred option places an L-shaped addition in front of the D and C wings, with bridge connections to each wing.

Proposed Site Description:

- A new resident wing building addition with 27,930 sf footprint located south of D and C wings.
- A new single story connection with 6,820 sf footprint is added between the building addition and existing facility to provide entry to both at the 1st floor level along with an extended covered drop-off canopy and circular drop-off drive and including HC parking.
- A walking garden is shown between building addition and existing facility.
- A secure fenced-in courtyard is placed between the arms of the building addition, with walkway and seating areas.
- Ambulance pick up is shown at the west side of the building addition, with canopy cover. This pick-up is accessed by upper floor(s) of the addition via elevator. Ambulance parking is located adjacent to the pick-up area.
- Bus parking is shown to the south of the building addition.
- Service access is shown at the south end of the building addition.

- Parking Summary:

110 Total Parking Spaces In The South Lot Are Displaced By The Building Addition (including 8 HC Pkg Spaces).

Existing Parking Space Count

227	Pkg Spaces South Lot; Includes Visitor Pkg and (8) HC pkg spaces
63	Pkg Spaces South-West Staff Lot
36	Pkg Spaces West Lot Opposite D Wing; Includes (6) HC pkg spaces
326	Total Existing Parking Spaces (Includes 14 HC pkg spaces)

Revised Parking Space Count

117	Pkg Spaces South Lot, Revised.
8	Pkg Spaces Main Entry Circular Drop Off Area (HC Parking)
201	Revised West Parking Lot; Includes (8) HC pkg spaces
326	Total Revised Parking Spaces (Includes 16 HC pkg spaces)

In Addition,
5 New Ambulance Parking Spaces Created
3 New Oversized Parking Spaces Created For Busses

The potential also exists for an additional 60 parking spaces by extending the new west lot, and 10 parking spaces along entry drive, totaling 70 potential future parking spaces.

Proposed Building Description:

-Resident Wing, 27,930 sf per floor, 60 beds per floor grouped into (2)-30 bed neighborhoods with 575 sf community living room adjacent to floor entrance.

Nursing Unit Space Breakdown (Per Floor):

-Resident Spaces:
(28) 350 sf semi-private rooms with 54 sf toilet room with shower facilities.
(3) 270 sf private rooms with 51 sf toilet room with shower facilities.
(1) 182 sf isolation room with 51 sf toilet room with shower facilities and 85 sf anteroom.
(2) 223 sf assisted bathing rooms per floor – 1 per neighborhood.
(2) 758 sf (avg) dayrooms per floor – 1 per neighborhood.
(2) 510 sf (avg) dining rooms, 1 per neighborhood, in center core perimeter.
(1) Resident Laundry rm per floor
Exterior Courtyard accessed from 1st floor core area.

-Nursing and support areas grouped in center core and center core perimeter, including:
(2) Nursing Stations oriented to have view down each wing corridor.
Med Room
Staff Lounge with toilet
Pantry
Soil Utility
Soil Linen
Clean Utility
Clean Linen
Oxygen Storage
Exam or Therapy Room, 258 SF
Public Toilets
Public Passenger Elevators
Janitor Closet

-A partial basement of approx. 14,000 sf will provide mechanical space, resident storage and general storage. Grade level change allows for a grade access at the southern end of the addition leg for building specific deliveries or maintenance access.

-Penthouses to be provided on roof for mechanical equipment.

- A new single story connecting link is added between the resident wing building addition and existing facility to provide entry to both at the 1st floor level along with an extended covered drop-off canopy.

- A service corridor link is created at the 2nd floor level to facilitate movement of supplies and residents between the existing facility and new addition. Service elevators are provided at

each end allowing vertical movement. Meals can be transported directly from the kitchen at the existing facility first floor level via elevator and new service corridor.

-Bridge links are provided at the 2nd floor level to both C wing and D wing for resident and staff convenience. The bridge link to D wing eliminates (2) beds from the unit bed count in the nursing wing building addition, making that unit 28 rather than 30 beds.

-Resident Wing Building Options: 2 options were explored for the Resident Wing Addition:

Option 6A: 2-Story Resident Wing Addition combined with:
Renovation of existing facility nursing units in B Wing, C Wing and D Wing.
New building 1st floor entry/connecting link and 2nd floor service corridor link as described above and accompanying existing facility renovation on 1st and 2nd floors.

Option 6B: 4-Story Resident Wing Addition combined with:
Renovation Of existing facility nursing units in D Wing
Conversion of B wing floors 1-3 (approx. 23,500 sf) to efficiency apartments similar to those occurring in A wing. This would provide a total of 36 apartments, 320 sf typ. (Refer to Architectural Sketch AR-9).
Renovation of approximately 21,000 sf in C wing and center building to support areas including offices and storage, with possibility of relocating the Chapel into C wing.
New building 1st floor entry/connecting link and 2nd floor service corridor link as described above and accompanying existing facility renovation on 1st and 2nd floors.

Mechanical-Electrical-Plumbing Recommendations

Several options under consideration include a major building addition of various size to be constructed south of the existing D-Wing. Any of the new wing options would include the following types of Mechanical/Electrical Systems:

HVAC:
The proposed HVAC system would include an individual fan coil unit (FCU) for each Resident Room or other type of occupied space. The FCU would provide heating and air conditioning for the space and would be controlled from a room thermostat. Heating hot water and chiller water pipes would connect all of the FCU's to a new main plant in the addition basement. The FCU could be floor mounted below the window or mounted concealed above the ceiling.

All toilet room, utility room, and bathroom exhaust grilles would be ducted up to roof-mounted energy recovery units (ERU). The ERU's would recover the energy from the exhausted air and pre-condition the required incoming ventilation air which would be ducted to the individual FCU's. This arrangement would provide a Dedicated Outside Air System (DOAS) which is an energy-efficient method to deliver code-compliant ventilation air to all occupied spaces.

A new wing would not require steam service since there will not be a kitchen or laundry facility in the building. Therefore, connection to the existing boiler house steam distribution is not necessarily required. Depending on the size of the addition, there may be adequate spare steam capacity to allow use of the existing steam distribution system to heat the new building. However, it may not be cost effective to do so because of the long piping runs involved. The alternative, more cost-effective approach, is to provide new UGI natural gas service to the addition, and to provide a high-efficiency gas hot water boiler plant as the heat source. The boiler plant would include several smaller modular boilers for part-load efficiency and redundancy, and variable speed hot water pumps.

A new chiller would be required with chilled water pumps to circulate water to the FCU's. The chiller would be either outdoor air-cooled (for the smaller addition concepts) or an indoor water-cooled chiller with an outdoor cooling tower (for the larger addition).

ELECTRIC:
A new PPL electric service would be required to serve any of the proposed addition concepts. The service may possibly be connected to the existing campus high voltage aerial service near the Boiler House, and an underground primary feeder would run to the addition.

A new emergency generator plant would be required. The generator(s) would be outdoors and fueled with natural gas and propane. The emergency power system would serve life safety lighting fixtures, selected resident room receptacles, the entire HVAC system, and the elevators.

Lighting systems would be designed to be energy-efficient using LED sources, and would have a residential appearance in living areas.

The fire alarm system would be an expansion of the existing facility system and would interconnect to form a single system for all wings of the building. Telephone, CATV, security, and data systems would also interconnect to the existing building systems.

PLUMBING:
A new main water service would serve the addition. It would likely be connected to the existing municipal underground service main from the south and with a connection to the main service in D-wing.

Sanitary sewage would discharge to the campus main. An underground lateral would have to run to the east across much of the campus to connect to an adequately sized existing main near the Boiler House. Further analysis of the existing system would be required.

Plumbing fixtures would be water-saving type appropriate for the various resident rooms and clinical uses. ADA-accessible fixtures would be predominantly used, and bariatric fixtures also provided as may be needed.

A new high-efficiency natural gas domestic water heating plant is recommended for the addition. Hot water would be distributed and recirculated through the new addition.

Depending on the clinical requirements, Oxygen service may be desired to the addition. An underground main from the existing bulk oxygen tank source would run to the addition and be piped to valve boxes on the floors and to med gas outlets in the rooms.

FIRE PROTECTION:
The new addition would require complete sprinkler protection in all spaces. Standpipes and hose valves would also be required in stair towers depending on the height of the addition.

For the smaller addition concepts, it is likely that the existing D-wing sprinkler water service and fire pump would be adequate to serve the addition. For the larger addition concept, a new fire pump may be required due to the increased height of the building.

B. BED COUNTS

Currently the County has a total of 670 licensed beds, 197 beds at the Fountain Hill facility and 473 beds at the Cedarbrook-Allentown facility.

Option 6A: 2 Story Resident Wing Addition	
Renovated Existing Facility (Per Item III above):	360 Beds
Basic Building Addition – 2 Floors:	118 Beds
Total Beds	478 Beds

Option 6B: 4 Story Resident Wing Addition	
Renovated D Wing (Per Item III above):	246 Beds
Basic Building Addition – 4 Floors:	238 Beds
Total Beds	484 Beds

Comments:

- A desire to beds from Fountain Hill facility was brought up during design by the Owner to open up space for ancillary functions.
  Option 6A allows for movement of 5 beds from Fountain Hill
  Option 6B allows for movement of 11 beds from Fountain Hill

- Dementia bed groupings were discussed during design:
  -Currently, 196 dementia beds exist in D Wing floors 4-7 (49 beds per floor). If the dementia beds remained grouped in the renovated D Wing, they would occupy 5 floors (floors 3-7) or 205 beds, affording a 4.6% increase. As future needs dictate, the 2nd floor of D Wing could be converted to dementia adding 41 beds, or a total increase over current numbers of 25%.
  - An option was discussed which grouped all Dementia residents from both Cedarbrook and Fountain Hill into the resident wing addition. There are currently 236 dementia beds total in the two facilities (Cedarbrook has 196, Fountain Hill 41). This could be accommodated in resident wing addition Option 6B, a 4 story addition of 238 beds, affording a 2 bed increase (<1%) of dementia beds. This approach would require movement of some current Cedarbrook residents to Fountain Hill.

C. COST ESTIMATE AND SCHEDULING

The construction of a building addition would alleviate scheduling problems reviewed in Item III-C above. The addition could be constructed without disruption to the current facility census and occupied prior to any renovation, creating a workable amount of swing space within the existing facility.

The 2-Story addition could be accomplished from design thru construction in approximately 2.5 to 3 years as follows:

Design/Approvals	1.0 years
Construction	1.5 years

The 4-Story addition could be accomplished from design thru construction in approximately 3 to 3.5 years as follows:

Design/Approvals	1.0 years
Construction	2.0 years

Renovation of existing facility timeline is discussed in item III-C above.

Cost Estimate:

Refer to Appendix at the end of this report

D. ARCHITECTURAL SKETCHES (See Appendix)

Sketches Applicable To Scope Item 6.0 Include:

Renovation:
AR-1 1st Floor Overall Renovation Areas
AR-2 2nd Floor Overall Renovations Areas
AR-3 3rd Floor Overall Renovation Areas
AR-4 Main Entry Renovation
AR-5 B Wing Nursing Unit Renovation (1-B, 2-B, 3-B)
AR-6 C Wing Nursing Unit Renovation (2-C, 3-C)
AR-7 D Wing Nursing Unit Renovation (2-D, 3-D)
AR-8 D Wing Nursing Unit Renovation (4-D, 5-6-7-D)
AR-9 B Wing Renovation For Efficiency Apartments

New Construction:
SP-1 Wing Addition, Partial Site Plan
A-1 Wing Addition and Entry/Connection Link Addition, 1st Floor Plan
A-2 Wing Addition and Entry/Connection Link Addition, 2nd Floor Plan
A-3 Wing Addition, 3rd To 8th Floor Plans
A-4 Wing Addition, Enlarged Plan – Typical Room
A-5 Wing Addition, Enlarged Plan - Typical Room and Assisted Bathing Room
A-6 Typical Floor Plan – Linear Building Addition

V. SCOPE ITEM 7.0, FUTURE OPTION A – NEW FACILITY ON NEW SITE

A. ANALYSIS SUMMARY AND RECOMMENDATIONS

Proposed Site Description:

A hypothetical site with no topographic or geologic challenges is assumed. Required size is estimated at 20 acres. Basic components are listed below:

- Site Utilities, either new or upgraded, including water, sanitary, electric, gas, etc.
- Storm water management
- Paving, curbing, sidewalks
- Landscaping, site lighting, signage
- Parking is estimated at 600 spaces.
- Separate metal building for facility maintenance shops, vehicle storage, etc.
- Separate metal building for long-term resident and general storage.

Proposed Building Description:

The proposed building consists of 3 floors, arranged in a neighborhood-community concept, as follows:

- First Floor, 136,830 sf
  -(8) Resident wings, each consisting of 30 beds.
  -Nursing functions occur at the vertex of 2 wings.
  -Each resident wing has a private dayroom for quiet activities.
  -(4) Exterior courtyards, each accessible to 2 resident wings.
  -Grade entry to core area.
  -Core area consists of a central auditorium (2-story space) surrounded by “main street” functions such as small shops, barber/beauty salon, café, library, chapel, community room, gift shop, etc.
  -Functions such as resident dining, activities, exam/therapy rooms create a buffer between the more public core areas and the resident wings.
  -Kitchen and receiving occur on the north side of the plan.

- Second Floor, 131,412 sf
  --(8) Resident wings, each consisting of 30 beds.
  -Nursing functions occur at the vertex of 2 wings.
  -Each resident wing has a private dayroom for quiet activities.
  -Core area consists of the upper auditorium and balcony, and additional community support or “main street” spaces.
  -Functions such as resident dining, activities, exam/therapy rooms create a buffer between the more public core areas and the resident wings.
  -Administration offices occur on the north side of the plan.

- Third Floor, 103,677 sf
  --(6) Resident wings, each consisting of 30 beds.
  -Nursing functions occur at the vertex of 2 wings.
  -Each resident wing has a private dayroom for quiet activities.
  -Core area consists of the auditorium roof which could be an exterior patio, and additional community support or “main street” spaces.

-Functions such as resident dining, activities, exam/therapy rooms create a buffer between the more public core areas and the resident wings.
-The entire floor area is not required to meet the current bed count. The balance of the floor area (27,735 sf) can be either roof area, or constructed as shell space for future expansion (60 additional beds possible).

A basement of 11,900 sf under the kitchen and adjoining areas would serve as receiving, supply, and mechanical space.

Mechanical-Electrical-Plumbing:

A new building on a new site would include systems similar to those described in Section 6.0 above. All systems would be entirely new and of the efficiency and characteristics described.

All utility services would be new. Note that it would be important for any proposed site to have access to municipal water, municipal sewer, and to natural gas services.

Construction of a new facility would then bring into question what to do with the existing facilities. Options may include:

- Sale of facilities "as-is".
- Demolition of existing facilities.
  - Redevelop site for alternate purpose
  - Sale of land
- Rehab existing facilities for alternate purpose. One such purpose could be the creation of apartments similar to the Cedarview apartments.

B. BED COUNTS

1st Floor	240 Beds
2nd Floor	240 Beds
3rd Floor	180 Beds
3rd Floor Unfinished	60 Beds
Total Possible Beds	720 Beds

C. COST ESTIMATE AND SCHEDULING

The construction of a new building would not be subject to the time constraints associated with a renovation or building adding on a functioning site. The new building construction would also create no disruption to the operation of the current facility.

The new building could be accomplished from design thru construction in approximately 2.5 to 3 years as follows:

Design/Approvals	1.0 years
Construction	1.5 years

Cost Estimate:

Refer to Appendix at the end of this report.

D. DEMOLITION OF EXISTING FACILITY – Cedarbrook Site

Upon construction of a new facility, one option for the existing facility would be demolition as discussed above.

Demolition of a facility such as Cedarbrook would take 6-8 months to accomplish. Decisions as to demolition of all out buildings would need to be made. Abatement would need to be conducted prior to full scale demolition. And being in close proximity to occupied building, items such as dust, noise, and traffic would all require due consideration.

Refer to cost estimate attached at the end of this report.

E. CONVERSION OF EXISTING FACILITY TO APARTMENTS – Cedarbrook Site

Upon construction of a new facility, one option for the existing facility would be renovation for an alternate purpose such as apartments similar to the Cedarview apartments as discussed above.

These apartments would be independent, non-nursing care apartments in the range of 600-700 sf each.

A Wing Basement level is left for administrative offices serving the apartments, and would require minimal renovation for this function.

The auditorium could be retained as a community room, and the main entry access would need to be renovated for accessibility such as in item III above. The kitchen function would not be required and the space used for apartments. The boiler house would not be needed as steam would not be required. The shipping/receiving building would not be needed. Mechanical-Electrical-Plumbing would be similar to the current A-Wing systems. Full abatement and correction of accessibility deficiencies would be required.

The conversion would be a change of occupancy for the facility, and as such most codes will require bringing the building up to current standards. However, a residential occupancy would not be as stringent as a health care occupancy.

The number of apartments which could be achieved are as follows:

1st Floor, A-B-Center Bldg-C-D Wings	56 Apartments	
2nd t Floor, A-B-Center Bldg-C-D Wings	49 Apartments	
3rd Floor, A-B-Center Bldg-C-D Wings	49 Apartments	
4th Floor D Wing	14 Apartments	
5th-7th Floors, D Wing	45 Apartments	(15 per floor)
Total	213 Apartments	

Refer to cost estimate attached at the end of this report.

F. ARCHITECTURAL SKETCHES (See Appendix)

Sketches Applicable To Scope Item 7.0-A Include:

- A-7 New Building-New Site, 1st Floor Plan
- A-8 New Building-New Site, 2nd Floor Plan
- A-9 New Building-New Site, 3rd Floor Plan
- AR-10 Full Renovation To Apartments, 1st Floor Plan
- AR-11 Full Renovation To Apartments, 2nd Floor Plan (3rd Fl Typical); D Wing Upper Floors

VI. SCOPE ITEM 7.0 - FUTURE OPTION B – NEW FACILITY ON CURRENT SITE

A. ANALYSIS SUMMARY AND RECOMMENDATIONS

The possibility of creating one facility on the existing site which would provide the full complement of 670 licensed beds was explored. Accomplishing this requires the Resident Wing Addition described in Section IV-A to go to 8 floors.

The 8th floor does not need to be a full 60 bed floor to meet current licensed bed count. Therefore a portion of this floor would be constructed as a shell space for future fit-out when needed.

Pro's for this option include:
- -No site acquisition costs.
- -Utilization of existing facility.
- -Built-in expansion.
- -The 4 beds occupying the D wing north dayroom can be absorbed in the tower allowing the space to remain as a dayroom.*
- -The 2 beds lost to the D Wing bridge connection are regained in the 8th floor beds.

Con's for this option include:
- -Evacuation concerns for a tower set-up.
- -Additional initial and maintenance expense for a parking structure.

Mechanical-Electrical-Plumbing – see discussion in item IV above.

B. BED COUNTS

Currently the County has a total of 670 licensed beds

*Renovated D Wing (Per Item III above less 24 Dayroom Beds):	222 Beds
Resident Wing Building Addition – 7 Floors:	418 Beds
Resident Wing Building Addition – Partial 8th Floor	30 Beds
Total Beds	670 Beds

C. COST ESTIMATE AND SCHEDULING

Scheduling:

The 8-Story addition could be accomplished from design thru construction in approximately 4 years as follows:

Design/Approvals	1.5 years
Construction	2.5 years

The construction of the tower would further alleviate scheduling problems reviewed in Item III-C above. The tower could be constructed without disruption to the current facility census and occupied prior to any renovation. The number of renovation projects in the existing facility once the tower is completed would be reduced to 2 phases – D wing complete, and the balance of the facility.

Cost Estimate:

Refer to Appendix at the end of this report.

D. ARCHITECTURAL SKETCHES (See Appendix)

Sketches Applicable To Scope Item 7.0-B Include:

Renovation Sketches, D Wing
- AR-7 D Wing Nursing Unit Renovation (2-D, 3-D)
- AR-8 D Wing Nursing Unit Renovation (4-D, 5-6-7-D)
- AR-9 B Wing Renovation For Efficiency Apartments

New Construction:
- SP-1 Wing Addition, Partial Site Plan
- A-1 Wing Addition and Entry/Connection Link Addition, 1st Floor Plan
- A-2 Wing Addition and Entry/Connection Link Addition, 2nd Floor Plan
- A-3 Wing Addition, 3rd To 8th Floor Plans
- A-4 Wing Addition, Enlarged Plan – Typical Room
- A-5 Wing Addition, Enlarged Plan - Typical Room and Assisted Bathing Room

VII. CONVERSION OF A WING BASEMENT TO PHYSICIAN OFFICE

The professional was requested to consider the implications of conversion of the A-Wing basement to physician offices.

Comments:
- Assuming the physician offices are solely to serve the facility, no additional parking will be required.
- This will be a change of occupancy for the space; however, since the rest of A wing has a 2 hour separation from the existing facility due to apartment occupancy, no additional action is needed.
- South Whitehall Township zoning permits this function per 350-12.46 Additional Use Regulations: "Medical offices shall be limited to those needed to serve current residents, including a Nursing Home."

Cost Estimate:

Description	SF	Cost/SF	Total
A Wing Basement Conversion To Physician Offices	11,814	$120	$1,417,680
		Asbestos Abatement	$10,000
		Subtotal	$1,427,680
		Professional Fee, 6.25%	$89,230
		Subtotal	$1,516.910
		FFE	$300,000
		Subtotal	$1,816,910
		Contingency, 10%	$181,691
		TOTAL	$1,998,601

An alternate approach would be to sublet the space to a physician group who would be responsible for the fit-out costs.

- OPTION 4.0, CURRENT FACILITY ASSESSMENT — $8,500,000
  - MEP SYSTEMS UPGRADE
  - FAÇADE RESTORATION
  - SHIPPING/RECEIVING BUILDING ROOF REPLACEMENT
  - BOILER HOUSE MEP UPGRADES

Current Total Number Of Licensed Beds	670
Current Licensed Beds - Cedarbrook-Allentow	473
Current Licensed Beds - Fountain Hill	197

- OPTION 5.0, REHABILITATION WITHOUT EXPANSION — $28,800,000
  - 360 BEDS TOTAL (LOSS OF 113 BEDS)
  - RENOVATION OF NURSING UNITS IN B- C- D-WINGS AND FRONT ENTRANCE
  - FACILITY UPGRADE ITEMS PER 4.0

- OPTION 6.0-A, 118 BED BUILDING ADDITION — $54,400,000
  - PROVIDES 478 BEDS IN B- C- D WINGS AND BUILDING ADDITION
    - Option - Movement of 5 Beds from Fountain Hill To Cedarbrook
  - RENOVATION OF NURSING UNITS IN B- C- D-WINGS AND FRONT ENTRANCE
  - FACILITY UPGRADE ITEMS PER 4.0

- OPTION 6.0-B, 238 BED BUILDING ADDITION — $68,000,000
  - PROVIDES 484 BEDS IN D WING AND BUILDING ADDITION
    - Option - Movement of 11 Beds from Fountain Hill To Cedarbrook
  - B WING: CONVERSION TO APARTMENTS
  - C WING AND CENTER BUILDING: CONVERSION TO OFFICES & SUPPORT AREAS
  - D WING: RENOVATION OF NURSING UNITS
  - FACILITY UPGRADE ITEMS PER 4.0

- OPTION 7.0-A, NEW FACILITY ON NEW SITE — $122,300,000
  - 670 LICENSED BEDS
  - INVOLVES DISPOSITION OF EXISTING CEDARBROOK AND FOUNTAIN HILL FACILITIES
    - Option - Resale As Is
    - Option - Demolition Of Existing Facility & Re-use Of Site
    - Option - Demolition Of Existing Facility & Sale Of Site
    - Conversion Of Existing Facility To Apartments At Standard of Cedarview

- OPTION 7.0-B, 8 FL BUILDING ADDITION — $107,400,000
  - PROVIDES 670 LICENSED BEDS IN D WING AND BUILDING ADDITION
  - COMBINES CEDARBROOK-ALLENTOWN AND FOUNTAIN HILL FACILITIES
  - SHELL SPACE AVAILABLE ON 8TH FLOOR FOR EXPANSION
  - B WING: CONVERSION TO APARTMENTS
  - C WING AND CENTER BUILDING: CONVERSION TO OFFICES & SUPPORT AREAS
  - D WING: RENOVATION OF NURSING UNITS
    - 24 D Wing Dayroom Beds Incorporated Into Addition
  - FACILITY UPGRADE ITEMS PER 4.0

Description	SF	Cost/SF	Subtotal	Total W/8.5% Prof Fee	Total W/ 10% Contingency
Façade Restoration - Cleaning & Water Repellant					
Main Facility, A-B-C Wings	91,300	$1.80	$164,340		
Main Facility, D-Wing	50,700	$2.30	$116,610		
Boiler House	5,400	$1.80	$9,720		
Laundry Bldg	8,280	$1.80	$14,904		
Façade Repair, Including Brick Replacement, Repointing, Crack Repair In Selective Areas			$50,000		
		Facade Restoration Subtotal	$355,574	$385,798	$424,378
Asbestos Abatement	LS		$150,000	$162,750	$179,025
Shipping/Receiving Bldg Roof Replacement	14,270	$20.00	$285,400	$309,659	$340,625
4.0-B MEP ITEMS					
Main Facility:					
General Construction To Support MEP			$500,000	$542,500	$596,750
B Wing MEP*	See Attached Detail Sheet		$1,702,088	$1,846,765	$2,031,442
C Wing MEP*	See Attached Detail Sheet		$953,590	$1,034,645	$1,138,110
D Wing MEP*	See Attached Detail Sheet		$2,928,650	$3,177,585	$3,495,344
Boiler House MEP*	See Attached Detail Sheet		$185,000	$200,725	$220,798
		4.0 TOTAL, FACILITY UPGRADE			$8,426,470

AREA	SYSTEM	SCOPE	QUANTITY	UNITS	Cost/unit	Subtotal	TOTAL Renov Cost
BOILER HOUSE	STEAM	Replace cond return and feedwater pumps	5	ea	10,000.00	$50,000	
		Replace steam main to B-wing	400	lf	150.00	$60,000	
		Replace electrical switchgear	1	ls	75,000.00	$75,000	
					Subtotal Boiler House MEP =	**$185,000**	
A-WING	ALL	No work required				$0	
B-WING	HVAC	Replace B-1,2,3 ducted split AC system indoor/outdoor units	3	ea	$85,000	$255,000	
		Replace B-1,2,3 hot water radiation	27,072	sf	$6	$162,432	
		Replace pneumatic ATC with electronic controls	1	ls	$150,000	$150,000	
		Replace roof exhaust fans, TAB ducts	4	ea	$5,000	$20,000	
		Replace steam distribution header, PRV's, main piping and valves	1	ls	$150,000	$150,000	
	PLUMBING	Replace all DWV system piping	27,072	sf	$6	$162,432	
		Replace all hot and cold water piping	27,072	sf	$8	$216,576	
		Replace most plumbing fixtures	80	ea	$800	$64,000	
	ELECTRICAL	Replace main switchgear	1	ea	$150,000	$150,000	
		Replace generator system	1	ea	$120,000	$120,000	
		Replace panelboards and feeders	27,072	sf	$6	$162,432	
		Replace lighting fixtures	27,072	sf	$3	$81,216	
						$0	
	SPRINKLER	Minor repair work and head replacement	1	ls	$8,000	$8,000	
					Subtotal B-Wing MEP =	**$1,702,088**	
C-WING	HVAC	Replace C-2,3 ducted split AC system indoor/outdoor units	2	ea	$85,000	$170,000	
		Replace C-2,3 hot water radiation	19,450	sf	$6	$116,700	
		Replace pneumatic ATC with electronic controls	1	ls	$40,000	$40,000	
		Replace roof exhaust fans, TAB ducts	4	ea	$5,000	$20,000	
		Replace steam distribution header, PRV's, main piping and valves	1	ls	$20,000	$20,000	
	PLUMBING	Replace all DWV system piping	23,430	sf	$6	$140,580	
		Replace all hot and cold water piping	23,430	sf	$8	$187,440	
		Replace most plumbing fixtures	50	ea	$800	$40,000	
	ELECTRICAL	Replace panelboards and feeders	23,430	sf	$6	$140,580	
		Replace lighting fixtures	23,430	sf	$3	$70,290	
						$0	
	SPRINKLER	Minor repair work and head replacement	1	ls	$8,000	$8,000	
					Subtotal C-Wing MEP =	**$953,590**	
D-WING	HVAC	Replace roof exhaust fans, TAB ducts	6	ea	$7,000	$42,000	
		Replace steam distribution, PRV's, main piping and valves	1	ls	$30,000	$30,000	
	PLUMBING	Replace all DWV system piping	116,045	sf	$6	$696,270	
		Replace all hot and cold water piping	116,045	sf	$8	$928,360	
		Replace most plumbing fixtures	280	ea	$800	$224,000	
	ELECTRICAL	Replace panelboards and feeders	116,045	sf	$6	$696,270	
		Replace most lighting fixtures	101,250	sf	$3	$303,750	
	SPRINKLER	Minor repair work and head replacement	1	ls	$8,000	$8,000	
					Subtotal D-Wing MEP =	**$2,928,650**	
					TOTAL MEP REFURBISHMENT =		**$5,769,328**

EXCLUSIONS:
Security System upgrades are excluded
Kitchen upgrades (emergency power) are excluded
Auditorium and Family Room upgrades are excluded

5.0 EXISTING FACILITY RENOVATION PER SKETCHES AR-1 THRU AR-12

Level 1 GC Renovation: Partition Demo, New Partition, New Doors, New Casework, New Finishes
Level 2 GC Renovation: Finish Upgrade Only

Area	Description	SF	Cost/SF	Subtotal	Cost Per Floor	Cost Per Wing	# Of Beds /NU
Basement	No GC work - MEP Infrastructure Work Is Included In Upper Floor Renov.						
A Wing	No Work						
B Wing 1st Fl Nursing Unit	GC Level 1	4,326	$125.00	$540,750			
7,810 sf Total	GC Level 2	3,484	$85.00	$296,140			
	MEP	7,810	$75.00	$585,750	$1,422,640		17
B Wing 2nd Fl Nursing Unit	GC Level 1	4,466	$125.00	$558,250			
7,810 sf Total	GC Level 2	3,344	$85.00	$284,240			
	MEP	7,810	$75.00	$585,750	$1,428,240		17
B Wing 3rd Fl Nursing Unit	GC Level 1	6,449	$125.00	$806,125			
11,452 sf Total	GC Level 2	5,003	$85.00	$425,255			
(Extends Into Cntr Bldg)	MEP	11,452	$75.00	$858,900	$2,090,280		30
					B WING TOTAL	$4,941,160	64
C Wing 1st Fl	Minor MEP Due To 2nd Fl Wk			$30,000	$30,000		
C Wing 2nd Fl Nursing Unit	GC Level 1	4,454	$125.00	$556,750			
8,050 sf Total	GC Level 2	3,596	$85.00	$305,660			
	MEP	8,050	$55.00	$442,750	$1,305,160		20
C Wing 3rd Fl Nursing Unit	GC Level 1	4,926	$125.00	$615,750			
11,400 sf Total	GC Level 2	6,474	$85.00	$550,290			
(Extends Into Cntr Bldg)	MEP	11,400	$55.00	$627,000	$1,793,040		30
					C WING TOTAL	$3,128,200	50
D Wing 1st Fl	Minor MEP Due To 2nd Fl Wk			$50,000	$50,000		
D Wing 2nd Fl Nursing Unit	GC Level 1	8,049	$120.00	$965,880			
14,692 sf Total	GC Level 2	6,643	$80.00	$531,440			
	MEP	14,692	$37.00	$543,604	$2,040,924		41
D Wing 3rd Fl Nursing Unit	GC Level 1	7,889	$120.00	$946,680			
14,685 sf Total	GC Level 2	6,796	$90.00	$611,640			
	MEP	14,685	$37.00	$543,345	$2,101,665		41
D Wing 4th Fl Nursing Unit	GC Level 1	7,889	$120.00	$946,680			
14,244 sf Total	GC Level 2	6,355	$80.00	$508,400			
	MEP	14,244	$37.00	$527,028	$1,982,108		41
D Wing 5th Fl Nursing Unit	GC Level 1	7,889	$120.00	$946,680			
14,244 sf Total	GC Level 2	6,355	$80.00	$508,400			
	MEP	14,244	$37.00	$527,028	$1,982,108		41
D Wing 6th Fl Nursing Unit	GC Level 1	7,889	$120.00	$946,680			
14,244 sf Total	GC Level 2	6,355	$80.00	$508,400			
	MEP	14,244	$37.00	$527,028	$1,982,108		41
D Wing 7th Fl Nursing Unit	GC Level 1	7,889	$120.00	$946,680			
14,244 sf Total	GC Level 2	6,355	$80.00	$508,400			
	MEP	14,244	$37.00	$527,028	$1,982,108		41
					D WING TOTAL	$12,121,021	246
Misc - B Wing/C Wing Stairs Railing Replacements					$240,240		
Misc - Corridor Dr Replacement To 36" Leafs					$12,000		
Misc - Accessibility Upgrades In Non-Resident Rm Areas					$50,000		
					MISC ITEMS TOTAL	$302,240	
					5.0 TOTAL B-C-D NURSING UNIT RENOVATION COSTS	$20,492,621	360
					Cost Per Bed	$56,923.95	

5.0 MAIN ENTRY RENOVATION PER SKETCH AR-0

Description	SF	Cost/SF	Subtotal	Total Cost
Excavation/Ret Wall			$300,000	
Paving/Curbing	12,700	$3.00	$38,100	
Storm Water Management			$40,000	
Demolition			$30,000	
Bldg Addition	1,840	$220.00	$404,800	
Canopy			$500,000	
Renov 1st Fl Center Bldg	1,810	$175.00	$316,750	
Renov 2nd Fl Center Bldg	3,300	$175.00	$577,500	
			TOTAL, 5.0 MAIN ENTRY RENOVATION	$2,207,150

SUBTOTAL, 5.0 RENOVATION COSTS	$22,699,771
Asbestos Abatement	$500,000
Subtotal	$23,199,771
Professional Fees, 7%	$1,623,984
Subtotal	$24,823,755
FFE	$300,000
Subtotal	$25,123,755
Contingency 10%	$2,512,375
Subtotal	$27,636,130
4.0 UPGRADE COSTS (Façade, Shipping/Receiving Bldg Roof, Boiler House)	$1,164,825
TOTAL, 5.0 SCOPE ITEMS	**$28,800,955**
Cost Per Bed	$80,002.65

Description	Unit	Unit Qty	Cost/Unit	Item Cost	Total Cost
6.0-A, 118 BED ADDITION, 2 FLOORS; RENOVATION OF B- C- D WINGS					TOTAL BEDS: 478
New Construction					
Site Work/Retaining Walls /Landscaping /Sidewalks / Storm Water Management	LS			$2,500,000	
Site Utilities	LS			$750,000	
Parking W Storm Water Managerment	Pkg Space	209	$4,000.00	$836,000	
Building Addition, 2 Fls, 118 Beds	SF	55,860	$225.00	$12,568,500	
Building Addition, Partial Basement	SF	14,000	$155.00	$2,170,000	
Building Addition, Penthouses	SF	5,200	$135.00	$702,000	
Building Addition, Entrance, 1st Fl Main Lobby	SF	7,090	$200.00	$1,418,000	
Building Addition, Entrance, 2nd Fl Service Hall	SF	2,620	$200.00	$524,000	
Canopy, Main Entrance	LS			$550,000	
Canopy, Ambulance Pick-Up	LS			$85,000	
C-Wing Bridge	LF	60	$9,000.00	$540,000	
D-Wing Bridge	LF	55	$9,000.00	$495,000	
				Subtotal, New Construction	$23,138,500
Existing Building Renovation					
Entry Renovation, 1st Fl Center Building	SF	1,810	$125.00	$226,250	
Entry Renovation, 2nd Fl Center Building	SF	3,300	$125.00	$412,500	
Nursing Units B-C-D Wing from 5.0				$20,492,621	
				Subtotal, Renovation	$21,131,371
				Subtotal, Scope Item 6.0-A	$44,269,871
				Asbestos Abatement	$500,000
				Subtotal	$44,769,871
				Professional Fee, 6.25%	$2,798,117
				Subtotal	$47,567,988
				FFE	$800,000
				Subtotal	$48,367,988
				Contingency, 10%	$4,836,799
				Subtotal, 6.0-A + Contingency	$53,204,787
				4.0 FACILITY UPGRADE (Façade, Shipping/Receiving Bldg Roof, Boiler House)	$1,164,825
				TOTAL, SCOPE ITEM 6.0-A	**$54,369,612**
				Cost Per Bed	$113,744
6.0-B, 238 BED ADDITION, 4 FLOORS; RENOV FOR D-WING NU, C WING OFFICE, B WING APARTMENTS					TOTAL BEDS: 484
New Construction					
Site Work/Retaining Walls /Landscaping /Sidewalks / Storm Water Management	LS			$2,500,000	
Site Utilities	LS			$750,000	
Parking W Storm Water Managerment	Pkg Space	209	$4,000.00	$836,000	
Building Addition, 4 Fls, 240 Beds	SF	111,720	$235.00	$26,254,200	
Building Addition, Partial Basement	SF	14,000	$155.00	$2,170,000	
Building Addition, Penthouses	SF	7,200	$135.00	$972,000	
Building Addition, Entrance, 1st Fl Main Lobby	SF	7,090	$200.00	$1,418,000	
Building Addition, Entrance, 2nd Fl Service Hall	SF	2,620	$200.00	$524,000	
Canopy, Main Entrance	LS			$550,000	
Canopy, Ambulance Pick-Up	LS			$85,000	
C-Wing Bridge	LF	60	$9,000.00	$540,000	
D-Wing Bridge	LF	55	$9,000.00	$495,000	
				Subtotal, New Construction	$37,094,200
Existing Building Renovation					
D Wing Nursing Unit Renovation From 5.0				$12,121,021	
2nd Fl C Wing - Office/Chapel	SF	7,810	$125.00	$976,250	
3rd Fl C Wing - Office/Storage Space	SF	7,810	$125.00	$976,250	
Apartments, B Wing 1st Floor	SF	7,810	$125.00	$976,250	
Apartments, B Wing 2nd Floor	SF	7,810	$125.00	$976,250	
Apartments, B Wing 3rd Floor	SF	7,810	$125.00	$976,250	
1st Fl Center Bldg - Entry Renov/Employee Dining	SF	1,810	$125.00	$226,250	
2nd Fl Center Bldg - Entry Renov	SF	3,300	$125.00	$412,500	
3rd Fl Center Bldg - Office/Storage Space	SF	5,429	$125.00	$678,625	
				Subtotal, Renovation	$18,319,646
				Subtotal, Scope Item 6.0-B	$55,413,846
				Asbestos Abatement	$500,000
				Subtotal	$55,913,846
				Professional Fee, 6.25%	$3,494,615
				Subtotal	$59,408,461
				FFE	$1,300,000
				Subtotal	$60,708,461
				Contingency, 10%	$6,070,846
				Subtotal	$66,779,308
				4.0 FACILITY UPGRADE (Façade, Shipping/Receiving Bldg Roof, Boiler House)	$1,164,825
				TOTAL, SCOPE ITEM 6.0-B	**$67,944,132**

7.0 -A, NEW FACILITY ON NEW SITE, 3 FLOORS

New Facility Combining All Licensed Skill Nursing (670 Beds) in Cedarbrook-Allentown and Fountain Hill
Proposed 3 story facility would consist of (11) 60 bed nursing units as follows:
4 Nursing Units on 1st floor -- 240 Beds
4 Nursing Units on 2nd floor -- 240 Beds
3 Nursing Units on 3rd floor -- 180 Beds*
*Affords future expansion of 50 beds on 3rd floor.

SF Area:
1st Floor 136,830 sf
2nd Floor 131,412 sf
3rd Floor 104,677 sf
Total 372,919 sf
*3rd Floor Shell 26,735 sf

Description	Unit	Unit Qty	Cost/Unit	Unit Cost	Total Cost
Land Cost	Acre	20	$50,000.00	$1,000,000	
Site Utilities	LS			$1,250,000	
Site: Parking, Storm Water, Site Lighting	Car	600	$4,000.00	$2,400,000	
Site: Misc Site Work Limited To Flat Site - Landscaping, Soil Conservation	LS			$500,000	
Building Construction, Partial Basement	SF	11,900	$155.00	$1,844,500	
Building Construction, 1st Fl, 2nd Fl, Partial 3rd Fl	SF	379,919	$240.00	$91,180,560	
Building Construction, 3rd Floor Shell Space	SF	27,735	$95.00	$2,634,825	
Building Construction, (4) Penthouses	SF	20,800	$135.00	$2,808,000	
Maintenance Building	SF	12,000	$95.00	$1,140,000	
Storage Building	SF	7,500	$125.00	$937,500	
				Subtotal, 7.0-A New Facility On New Site	$105,695,385
				Professional Fee, 5.75%	$6,077,485
				Subtotal	$111,772,870
				FFE	$2,500,000
				Subtotal	$114,272,870
				Contingency, 7%	$7,999,101
				TOTAL, 7.0-A NEW FACILITY COSTS	**$122,271,971**
				Cost Per Bed	$182,495.48

7.0 -B, BUILDING ADDITION ON EXISTING SITE, 8 FLOORS

670 Skill Nursing Beds contained in D Wing and New Addition Combines Cedarbrook-Allentown And Fountain Hill
Shell space available on 8th floor for expansion.
Existing Facility D Wing Renovated To Nursing Units; 24 D Wing Dayroom beds incorporated in addition.
Existing Facility C Wing Converted To Offices
Existing Facility B Wing Converted To Apartments

Item Description	Unit	Unit Qty	Cost/Unit	Item Cost	Total Cost
New Construction					
Site Work/Retaining Walls /Landscaping /Sidewalks / Storm Water Management	LS			$2,500,000	
Site Utilities	LS			$750,000	
Additional Grade Parking, Storm Water, Site Lighting	Pkg Space	209	$4,000.00	$836,000	
Parking Structure, 300 Cars	Pkg Space	300	$20,000.00	$6,000,000	
Building Addition, 8 Fls	SF	223,440	$250.00	$55,860,000	
Building Addition, Partial Basement	SF	14,000	$155.00	$2,170,000	
Building Addition, Penthouses	SF	7,200	$135.00	$972,000	
Building Addition, Entrance, 1st Fl Main Lobby	SF	6,820	$200.00	$1,364,000	
Building Addition, Entrance, 2nd Fl Service Corridor	SF	2,340	$135.00	$315,900	
Canopy, Main Entrance	LS			$550,000	
Canopy, Ambulance Pick-Up	LS			$85,000	
C-Wing Bridge	LF	60	$9,000.00	$540,000	
D-Wing Bridge	LF	55	$9,000.00	$495,000	
				Subtotal, New Construction	$72,437,900
Existing Building Renovation					
D Wing Nursing Unit Renovation From 5.0				$12,121,021	
2nd Fl C Wing - Office/Chapel	SF	7,810	$125.00	$976,250	
3rd Fl C Wing - Office/Storage Space	SF	7,810	$125.00	$976,250	
Apartments, B Wing 1st Floor	SF	7,810	$125.00	$976,250	
Apartments, B Wing 2nd Floor	SF	7,810	$125.00	$976,250	
Apartments, B Wing 3rd Floor	SF	7,810	$125.00	$976,250	
1st Fl Center Bldg - Entry Renov/Employee Dining	SF	1,810	$125.00	$226,250	
2nd Fl Center Bldg - Entry Renov	SF	3,300	$125.00	$412,500	
3rd Fl Center Bldg - Office/Storage Space	SF	5,429	$125.00	$678,625	
				Subtotal, Renovation	$18,319,646
				Subtotal, Scope Item 7.0-B	$90,757,546
				Asbestos Abatement	$500,000
				Subtotal	$91,257,546
				Professional Fee, 6.25%	$5,703,597
				Subtotal	$96,961,143
				FFE	$1,800,000
				Subtotal	$98,761,143
				Contingency, 7.5%	$7,407,086
				Subtotal, 7.0-B +Contingency	$106,168,228
				4.0 FACILITY UPGRADE (Façade, Shipping/Receiving Bldg Roof, Boiler House)	$1,164,825
				TOTAL, SCOPE ITEM 7.0-B	**$107,333,053**

7.0 -A1, DEMOLITION OF EXISTING FACILITY

Includes demolition of buildings and pavement east of Dorney Park Road
and does not include demolition of steam tunnel, boiler house, and surrounding buildings/structures.
Demolition costs include 20 mile haul. No salvage is assumed.

Description	Unit	Unit Qty	Cost/Unit	Unit Cost	Total Cost
Building Demolition, Main Facility Superstructure, Fls 1-3	CF	2,022,636	$1.00	$2,022,636	
Building Demolition, Main Facility Basement	CF	439,404	$1.50	$659,106	
Building Demolition, Main Facility D Wing Fls 4-7	CF	683,808	$1.50	$1,025,712	
Building Demolition, Connecting Tunnel + S/R Basement	CF	22,260	$1.00	$22,260	
Building Demolition, Shipping/Receiving, Gr Fl	CF	171,240	$0.50	$85,620	
Building Demolition, Remediation	LS			$350,000	
Site Demolition, Pavement	SF	254,000	$0.50	$127,000	
Site Demolition, Misc:	LS			$500,000	
Sidewalks, Pads, Pavilions, Retaining Walls, Small Storage Buildings, Lighting, Etc.					
Site Fill (No Compaction)	CF	461,664	$0.25	$115,416	
Grading and Seeding	SF	600,000	$0.20	$120,000	
				Subtotal, 7.0-A1 Demolition Of Existing Facility Costs	$5,027,750
				Professional Fee, 3%	$150,833
				Subtotal	$5,178,583
				Contingency, 5%	$258,929
				TOTAL, 7.0-A1 DEMOLITION OF EXISTING FACILITY COSTS	**$5,437,512**

7.0 -A2, CONVERSION OF EXISTING FACILITY TO APARTMENTS

Description	Unit	Unit Qty	Cost/Unit	Unit Cost	Total Cost
1st Floor Main Entrance					
Excavation/Ret Wall				$300,000	
Paving/Curbing	SF	12,700	$3.00	$38,100	
Storm Water Management				$40,000	
Demolition				$30,000	
Bldg Addition	SF	1,840	$220.00	$404,800	
Canopy				$100,000	$912,900
Basement A-Wing (Apartment Offices)	SF	11,814	$60.00	$11,874	$708,840
1st Floor Apartment Renovation (56 Apartments)	SF	59,005	$120.00	$7,080,600	$7,080,600
2nd Floor Apartment Renovation (49 Apartments)	SF	54,774	$120.00	$6,572,880	$6,572,880
3rd Floor Apartment Renovation (49 Apartments)	SF	54,774	$120.00	$6,572,880	$6,572,880
4th Floor D Wing Apartment Renovation (14 Apartments)	SF	14,246	$120.00	$1,709,520	$1,709,520
5th Floor D Wing Apartment Renovation (15 Apartments)	SF	14,246	$120.00	$1,709,520	$1,709,520
6th Floor D Wing Apartment Renovation (15 Apartments)	SF	14,246	$120.00	$1,709,520	$1,709,520
7th Floor D Wing Apartment Renovation (15 Apartments)	SF	14,246	$120.00	$1,709,520	$1,709,520
				Subtotal, 7.0-A2 Conversion Of Existing Facility To Apartments	$28,686,180
				Professional Fee, 6.25%	$1,792,886
				Subtotal	$30,479,066
				Contingency, 10%	$3,047,907
				TOTAL, 7.0-A2 CONVERSION OF EXISTING FACILITY TO APARTMENTS	**$33,526,973**

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CEDARBROOK-ALLENTOWN NURSING HOME
COUNTY OF LEHIGH
30 S. CEDARBROOK ROAD, ALLENTOWN, PA

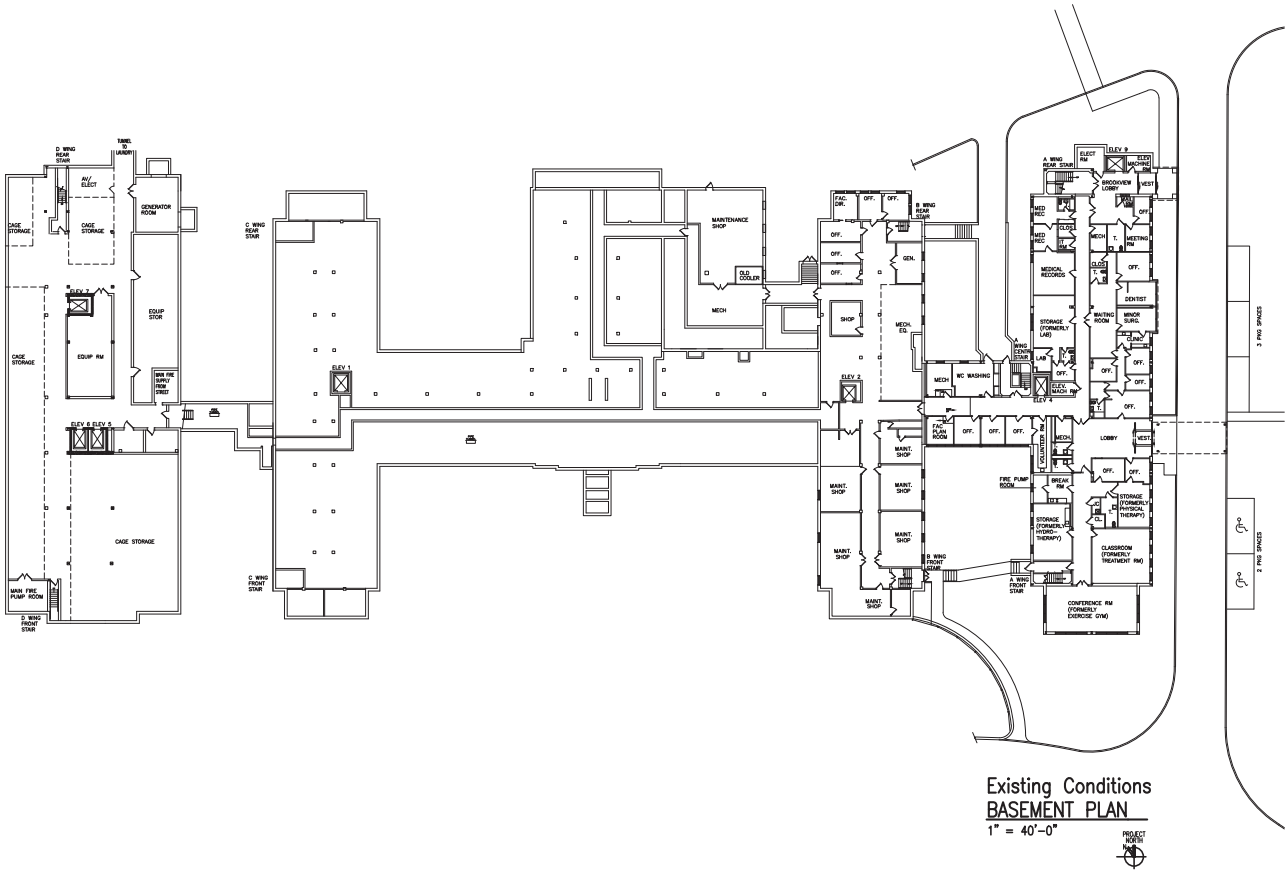
Scope item 4.0

EXISTING CONDITIONS

SITE PLAN

EX-SP

MARCH 22, 2017



Existing Conditions
BASEMENT PLAN
1" = 40'-0"

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COUNTY OF LEHIGH
30 S. CEDARBROOK ROAD, ALLENTOWN, PA

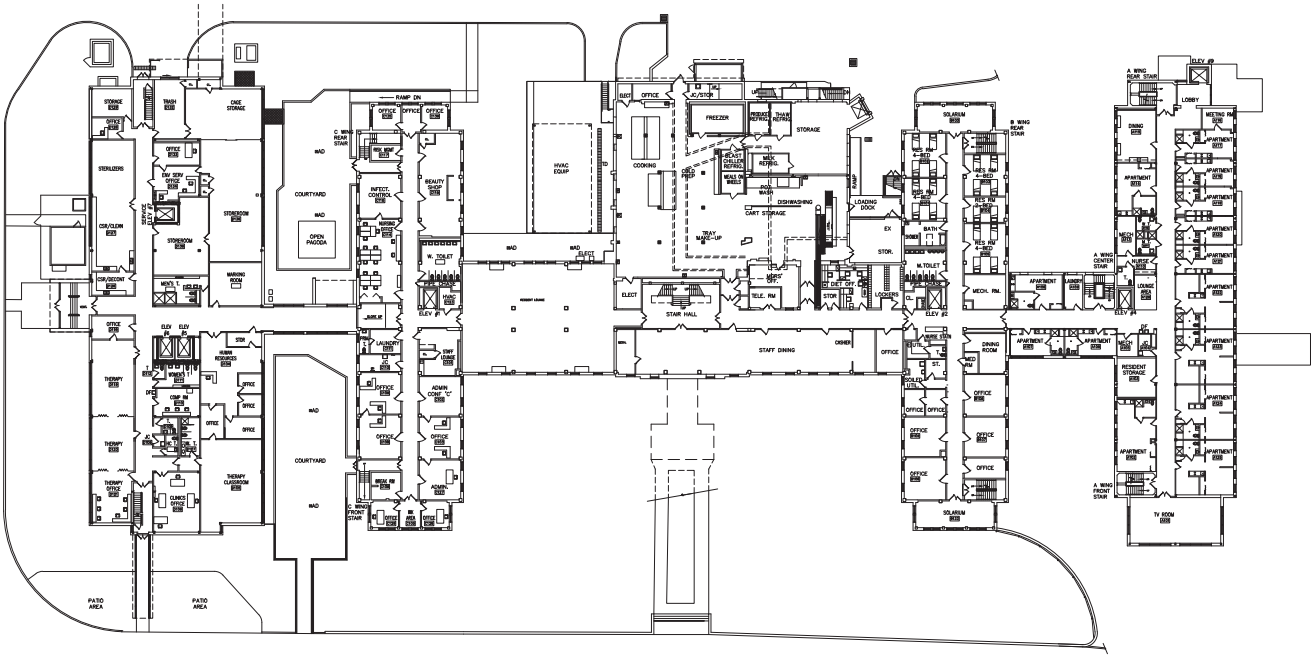
Scope Item 4.0

EXISTING CONDITIONS

BASEMENT PLAN

EX-B

MARCH 22, 2017



Existing Conditions
1ST FLOOR PLAN
1" = 40'-0"

PROJECT NORTH

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COUNTY OF LEHIGH
30 S. CEDARBROOK ROAD, ALLENTOWN, PA

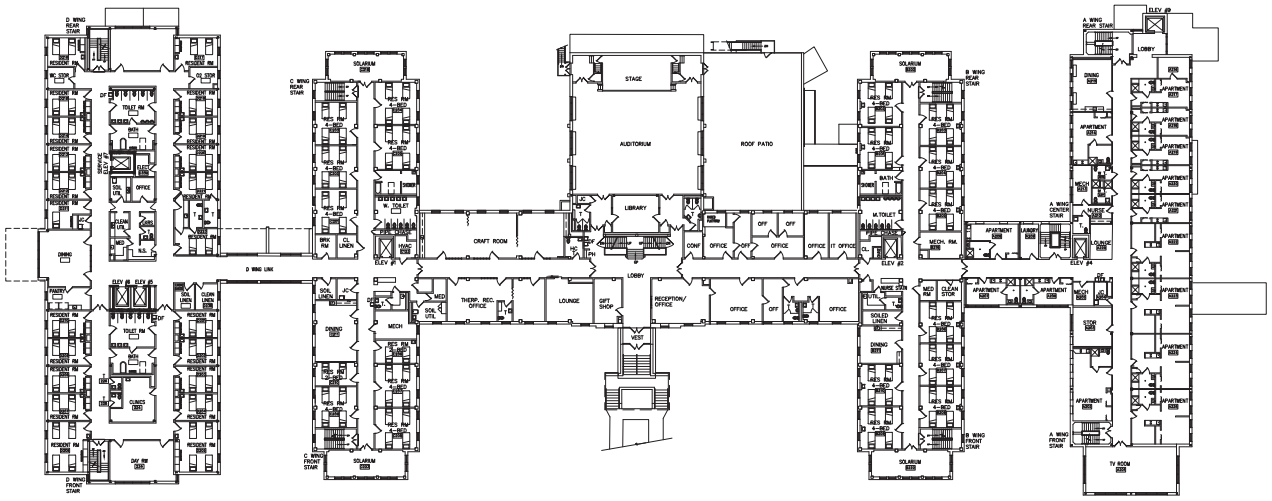
Scope Item 4.0

EXISTING CONDITIONS

1ST FLOOR PLAN

EX-1

MARCH 22, 2017



Existing Conditions
2ND FLOOR PLAN
1" = 40'-0"

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30 S. CEDARBROOK ROAD, ALLENTOWN, PA.

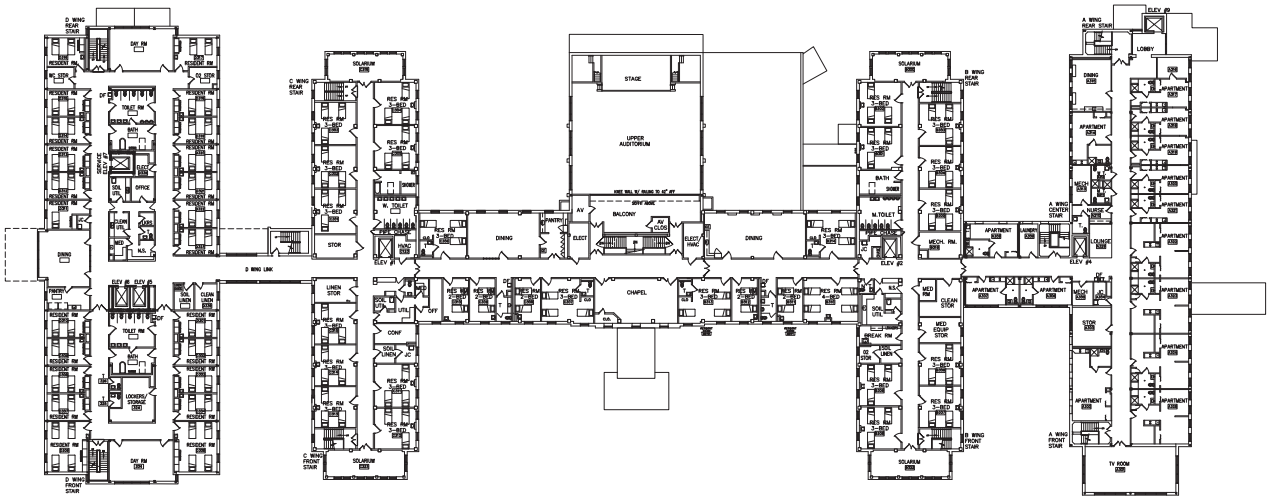
Scope Item 4.0

EXISTING CONDITIONS

2ND FLOOR PLAN

EX-2

MARCH 22, 2017



Existing Conditions
3RD FLOOR PLAN
1" = 40'-0"

PROJECT NORTH

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CEDARBROOK-ALLENTOWN NURSING HOME
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30 S. CEDARBROOK ROAD, ALLENTOWN, PA

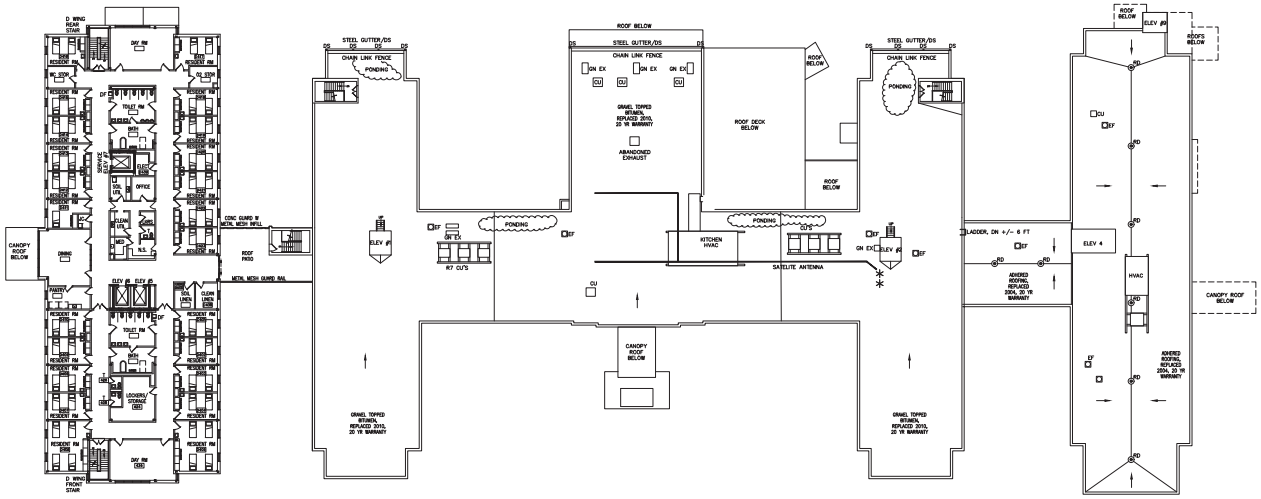
Scope Item 4.0

EXISTING CONDITIONS

3RD FLOOR PLAN

EX-3

MARCH 22, 2017



Existing Conditions

4TH FLOOR and ROOF PLANS

1" = 40'-0"

PROJECT NORTH

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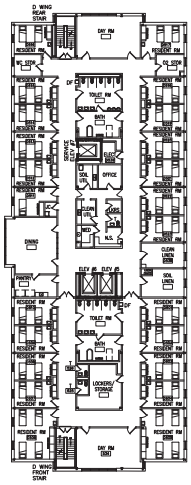
EXISTING CONDITIONS

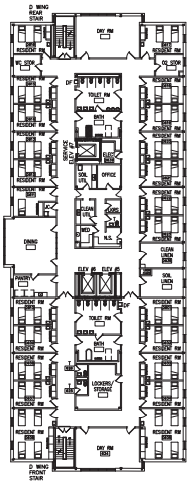
4TH FLOOR/ ROOF PLANS

EX-4

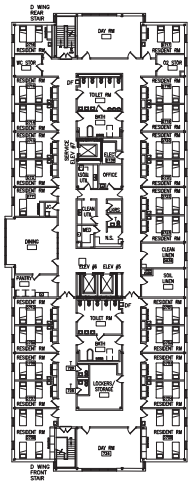
MARCH 22, 2017



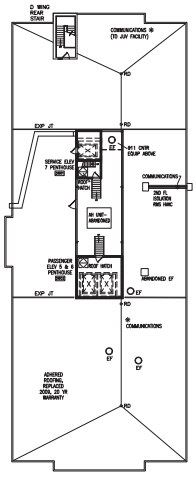
D WING 5TH FLOOR



D WING 6TH FLOOR



D WING 7TH FLOOR



D WING PENTHOUSES/ROOF

Existing Conditions

5TH–6TH–7TH FLOOR PLAN and ROOF PLAN

1" = 40'-0"

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CEDARBROOK-ALLENTOWN NURSING HOME
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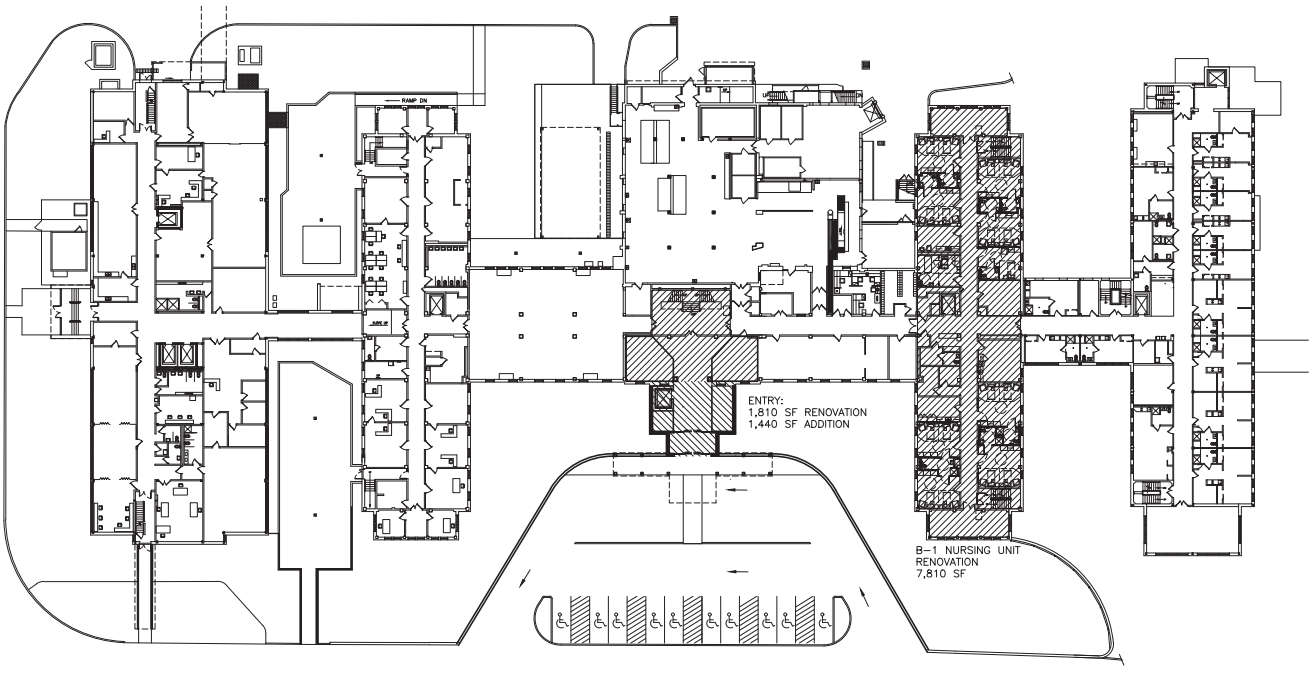
30 S. CEDARBROOK ROAD, ALLENTOWN, PA

Scope Item 4.0

EXISTING CONDITIONS D WING 5-6-7 FL & ROOF PLANS

EX-5

MARCH 22, 2017



1st Floor Overall Renovation Areas
1" = 40'-0"

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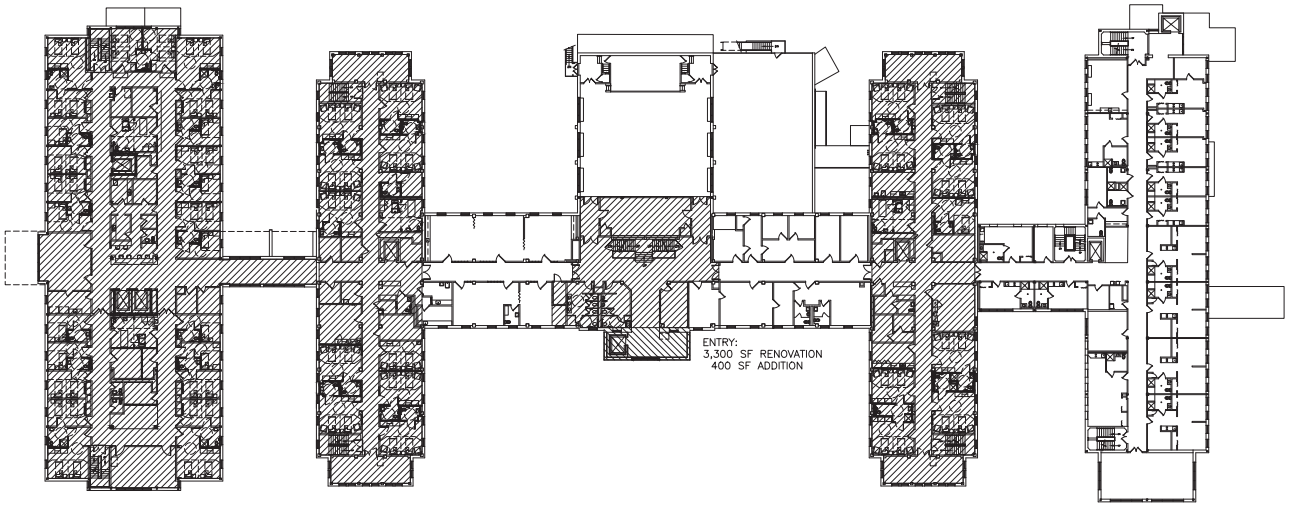
CEDARBROOK-ALLENTOWN NURSING HOME
COUNTY OF LEHIGH
350 S. CEDARBROOK ROAD, ALLENTOWN, PA

Scope Item 5.0

1ST FLOOR OVERALL RENOVATION AREAS

RENOVATION
AR-1
MARCH 22, 2017



D–2 NURSING UNIT
RENOVATION
14,685 SF

C–2 NURSING UNIT
RENOVATION
8,050 SF

CENTER BLDG

B–2 NURSING UNIT
RENOVATION
7,810 SF

A–WING

2nd Floor Overall Renovation Areas
1" = 40'–0"

PROJECT NORTH

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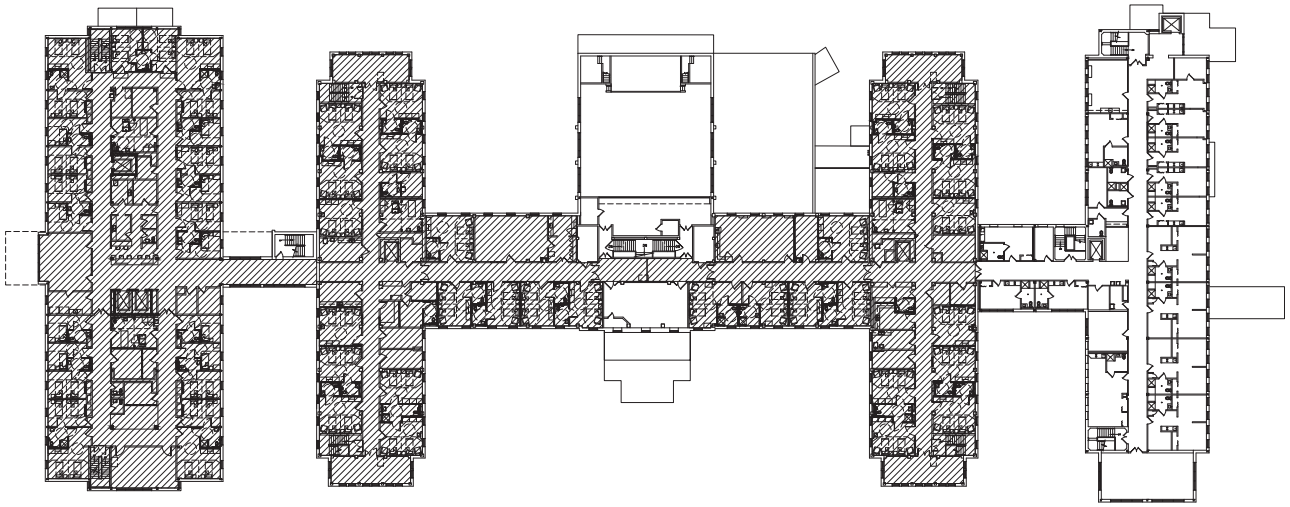
FACILITY ASSESSMENT AND FUTURE OPTIONS STUDY
CEDARBROOK-ALLENTOWN NURSING HOME
COUNTY OF LEHIGH
30 S. CEDARBROOK ROAD, ALLENTOWN, PA

Scope Item 5.0

2ND FLOOR
OVERALL
RENOVATION
AREAS

RENOVATION
AR-2
MARCH 22, 2017



3rd Floor Overall Renovation Areas
1" = 40'–0"

PROJECT NORTH

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FACILITY ASSESSMENT AND FUTURE OPTIONS STUDY
CEDARBROOK-ALLENTOWN NURSING HOME
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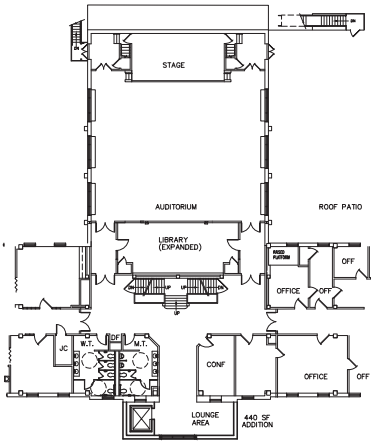
350 S. CEDARBROOK ROAD, ALLENTOWN, PA

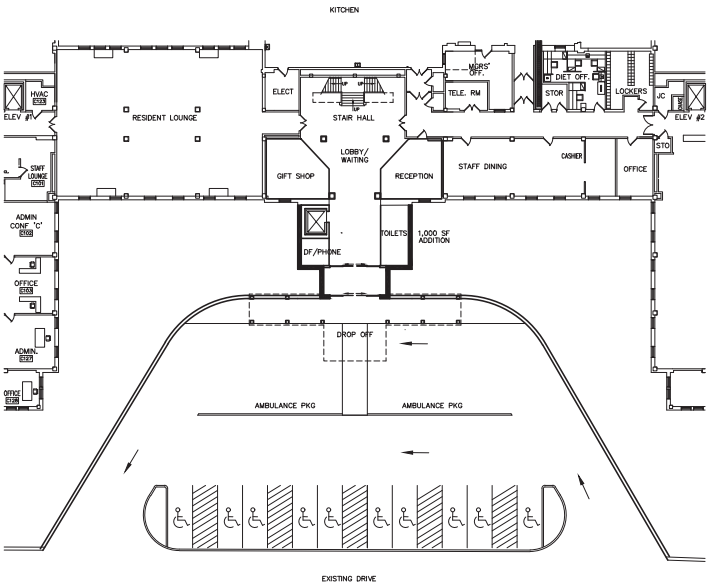
Scope Item 5.0

3RD FLOOR OVERALL RENOVATION AREAS

RENOVATION
AR-3
MARCH 22, 2017



2nd Floor Plan, Main Entry Renovation
1" = 30'-0"



1st Floor Plan, Main Entry Renovation
1" = 30'-0"

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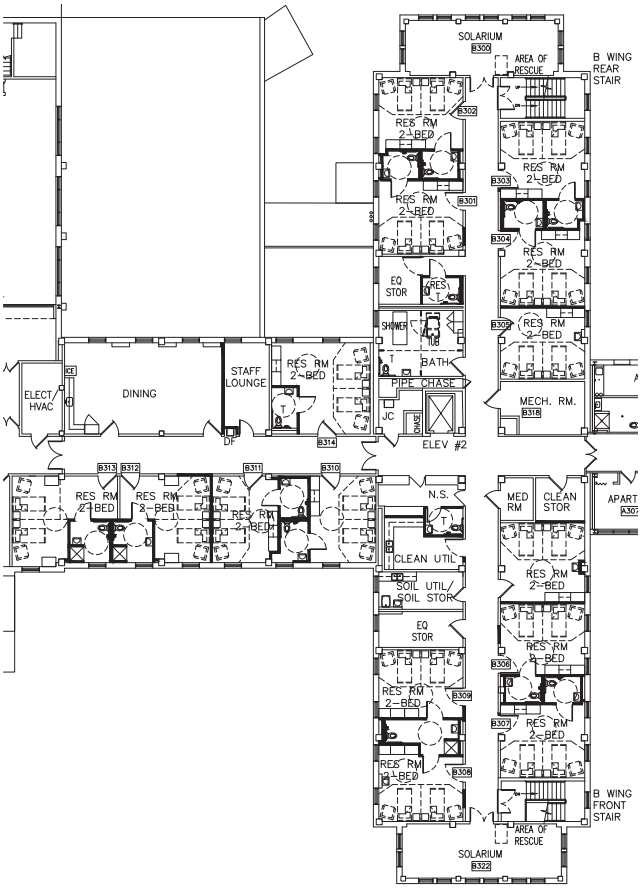
FACILITY ASSESSMENT AND FUTURE OPTIONS STUDY
CEDARBROOK-ALLENTOWN NURSING HOME
COUNTY OF LEHIGH
350 S. CEDARBROOK ROAD, ALLENTOWN, PA

Scope Item 5.0

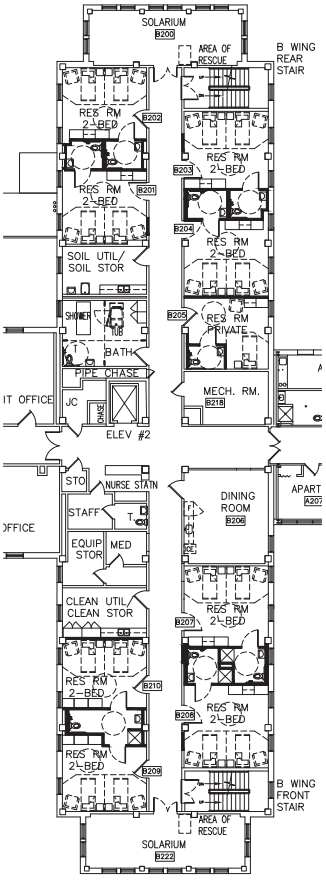
MAIN ENTRY RENOVATION

RENOVATION
AR-4
MARCH 22, 2017



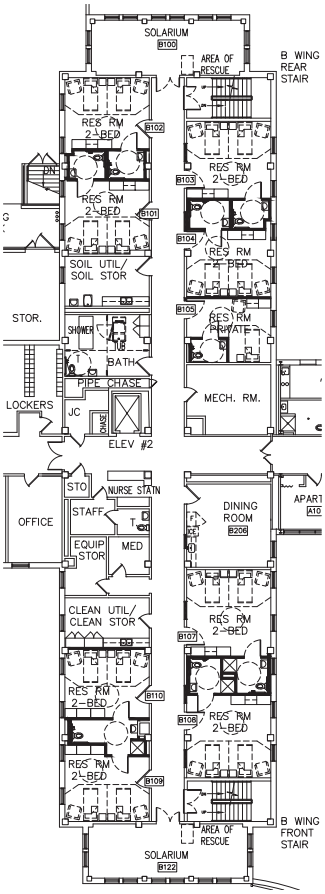
3-B Nursing Unit Renovation

1" = 20'-0" 30 Beds



2-B Nursing Unit Renovation

1" = 20'-0" 17 Beds



1-B Nursing Unit Renovation

1" = 20'-0" 17 Beds

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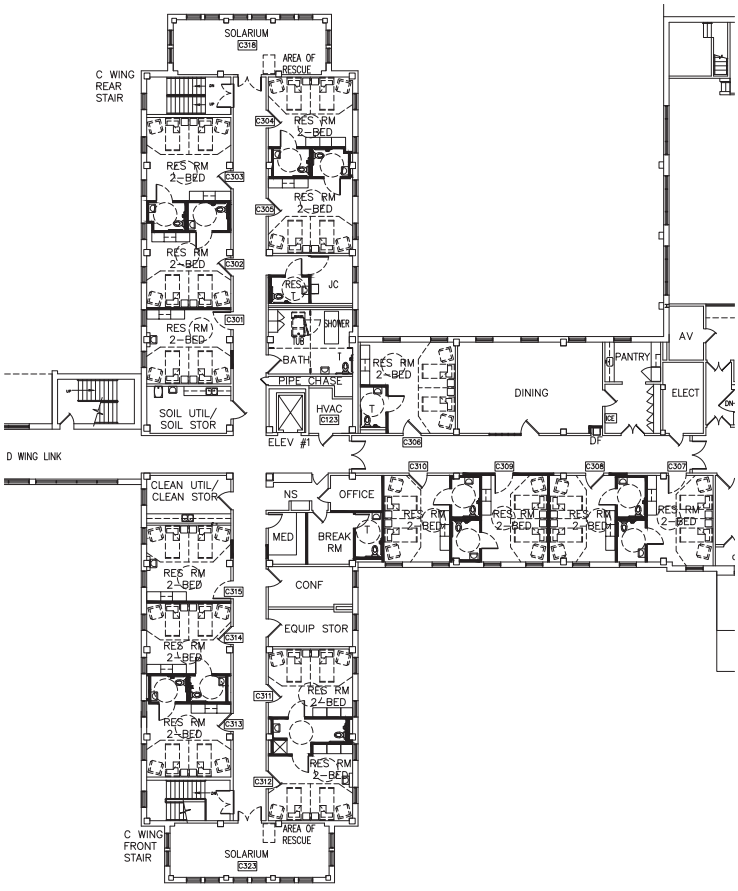
FACILITY ASSESSMENT AND FUTURE OPTIONS STUDY
CEDARBROOK-ALLENTOWN NURSING HOME
COUNTY OF LEHIGH
30 S. CEDARBROOK ROAD, ALLENTOWN, PA

Scope Item 5.0

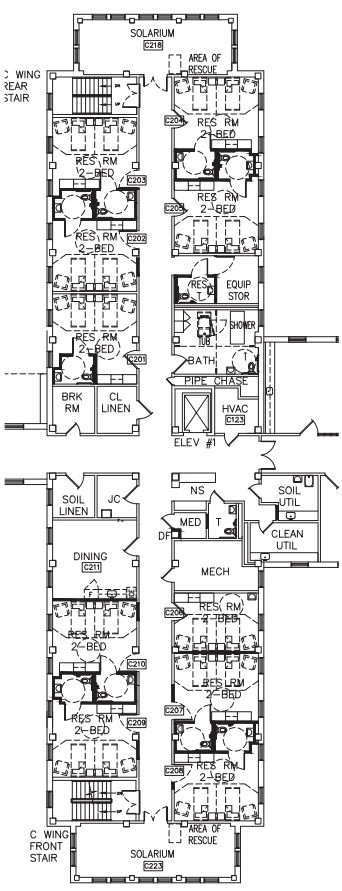
B WING NURSING UNIT RENOVATION

RENOVATION
AR-5
MARCH 22, 2017



3-C Nursing Unit Renovation

1" = 20'-0" 30 Beds



2-C Nursing Unit Renovation

1" = 20'-0" 20 Beds

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FACILITY ASSESSMENT AND FUTURE OPTIONS STUDY
CEDARBROOK-ALLENTOWN NURSING HOME
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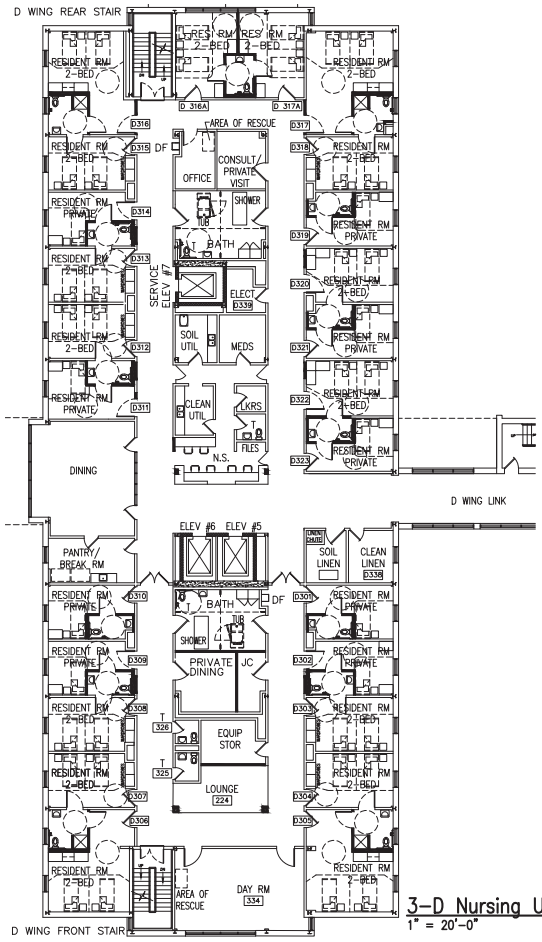
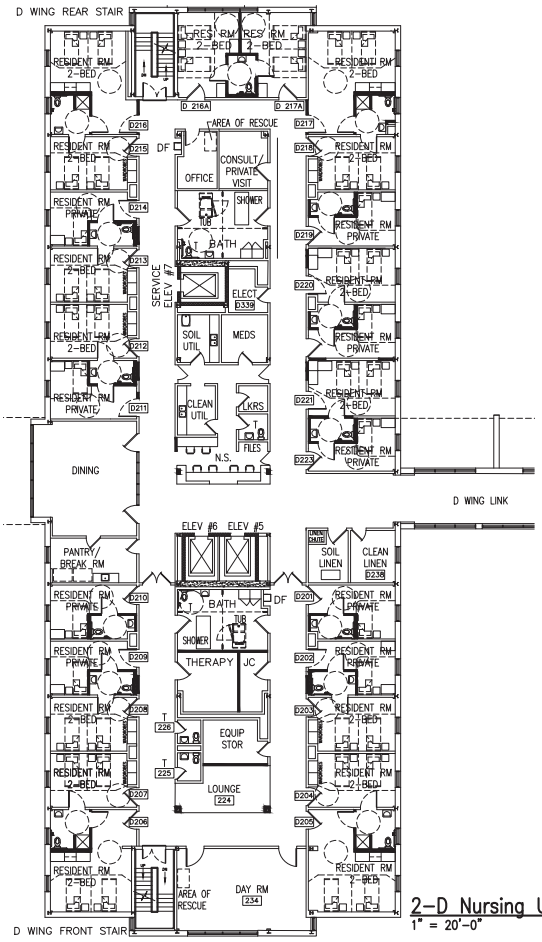
Scope Item 5.0

C WING NURSING UNIT RENOVATION

RENOVATION
AR-6
MARCH 22, 2017



3-D Nursing Unit Renovat'n
1" = 20'-0" 41 Beds



2-D Nursing Unit Renovat'n
1" = 20'-0" 41 Beds

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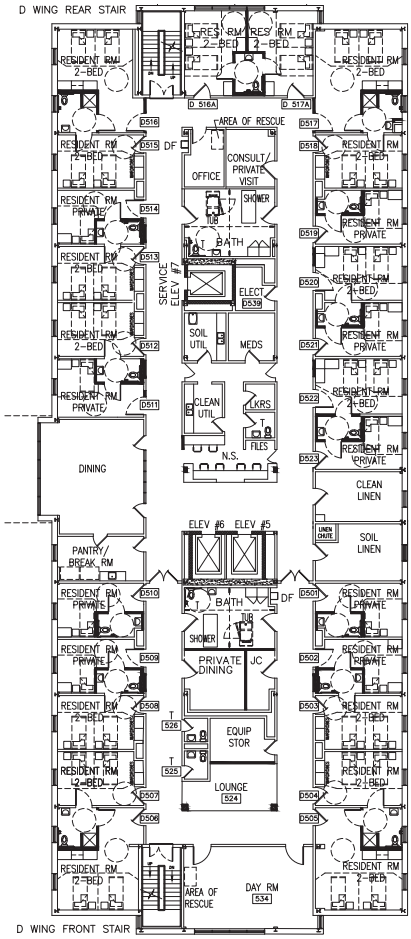
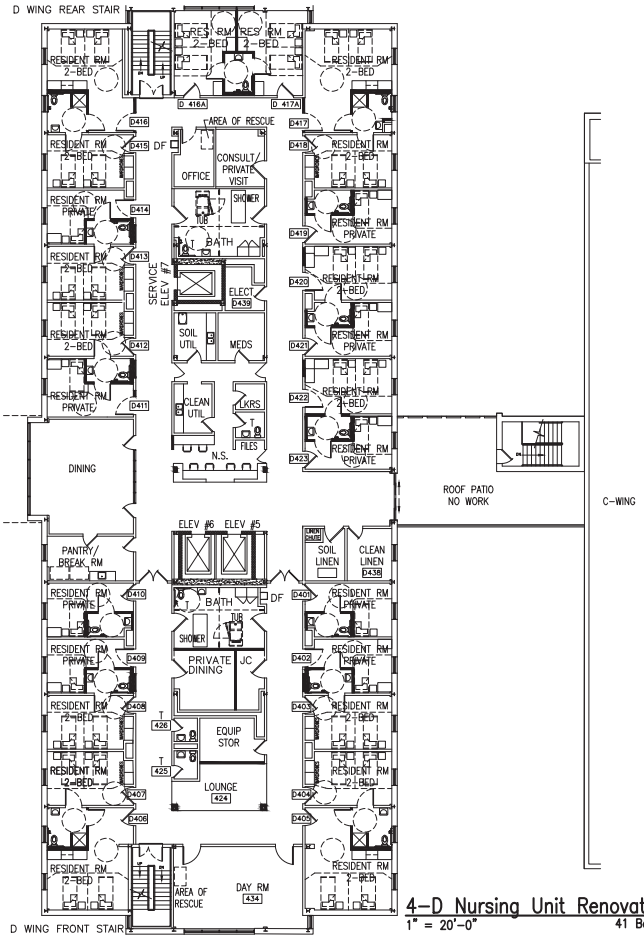
D WING NURSING UNIT RENOVATION

RENOVATION
AR-7
MARCH 22, 2017



5-D, 6-D, 7-D
Nursing Unit Renovat'n
1" = 20'-0" 41 Beds



4-D Nursing Unit Renovat'n
1" = 20'-0" 41 Beds

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FACILITY ASSESSMENT AND FUTURE OPTIONS STUDY
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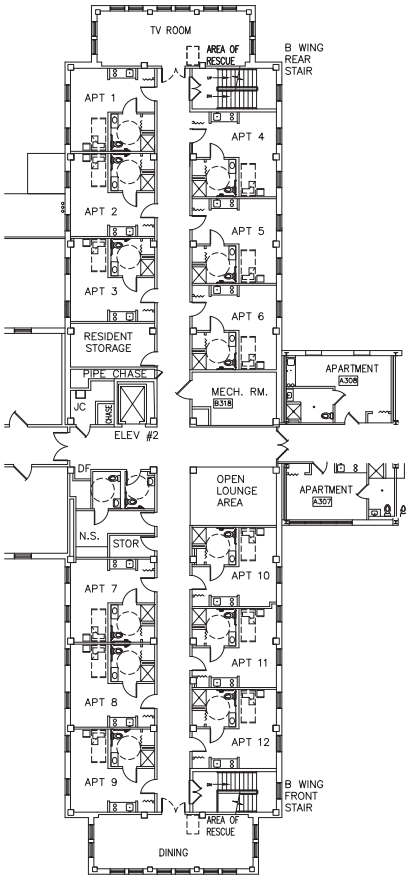
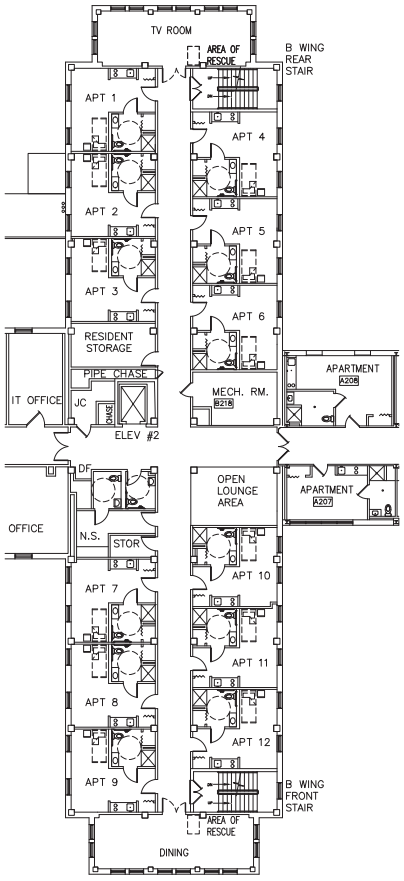
Scope Item 5.0
D WING NURSING UNIT RENOVATION

RENOVATION
AR-8
MARCH 22, 2017



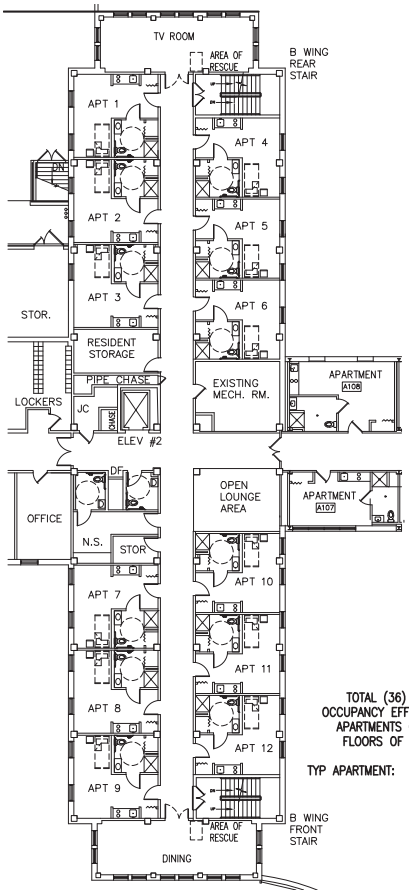
3-B Renovation For Efficiency Apartments

1" = 20'-0" 12 Apartments



2-B Renovation For Efficiency Apartments

1" = 20'-0" 12 Apartments



1-B Renovation For Efficiency Apartments

1" = 20'-0" 12 Apartments

TOTAL (36) SINGLE OCCUPANCY EFFICIENCY APARTMENTS OVER 3 FLOORS OF B WING

TYP APARTMENT: 320 SF

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FACILITY ASSESSMENT AND FUTURE OPTIONS STUDY
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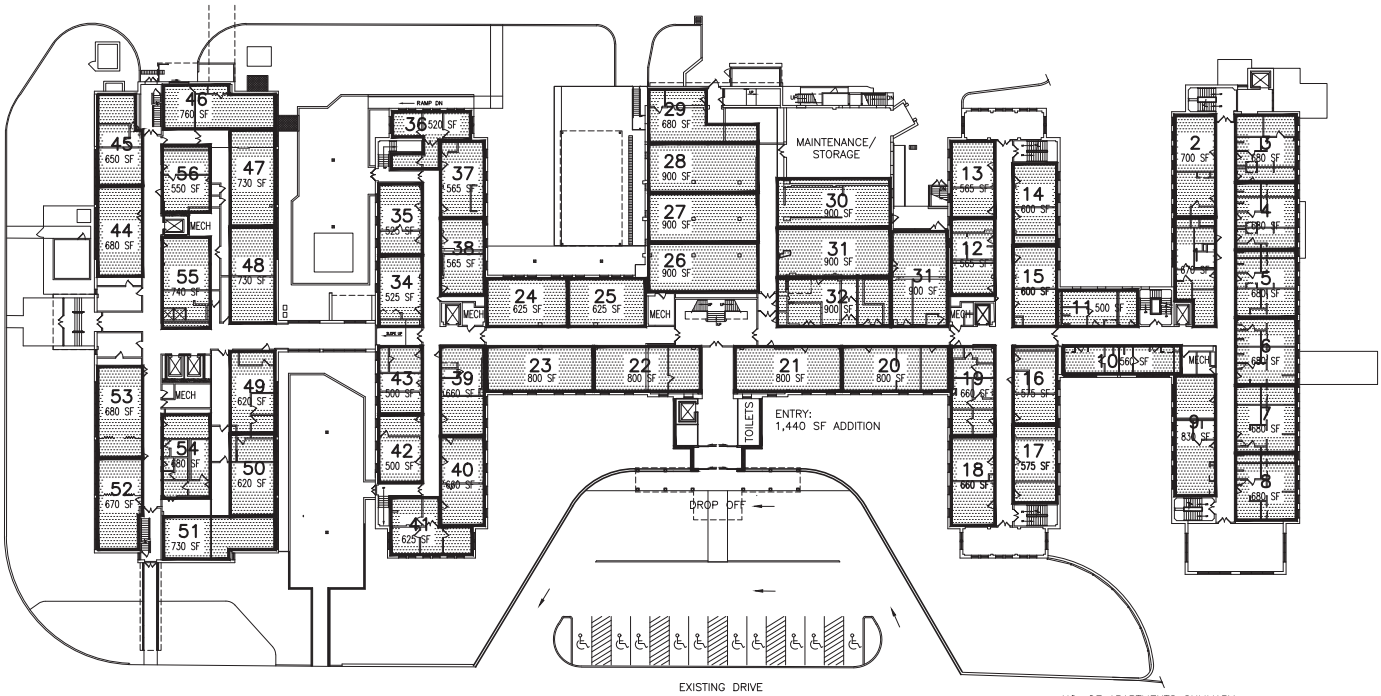
Scope Item 6.0

B WING RENOVATION FOR EFFICIENCY APARTMENTS

RENOVATION
AR-9
MARCH 22, 2017



1st Fl Apartment Renovation

1" = 40'-0"

XXX

NO. OF APARTMENTS SUMMARY:

56 APARTMENTS 1ST FLOOR
49 APARTMENTS 2ND FLOOR
49 APARTMENTS 3RD FLOOR
14 APARTMENTS 4TH FLOOR D WING
15 APARTMENTS 5TH FLOOR D WING
15 APARTMENTS 6TH FLOOR D WING
15 APARTMENTS 7TH FLOOR D WING
213 TOTAL NUMBER OF APARTMENTS

APARTMENT SIZE RANGES FROM 500 SF TO 900 SF.

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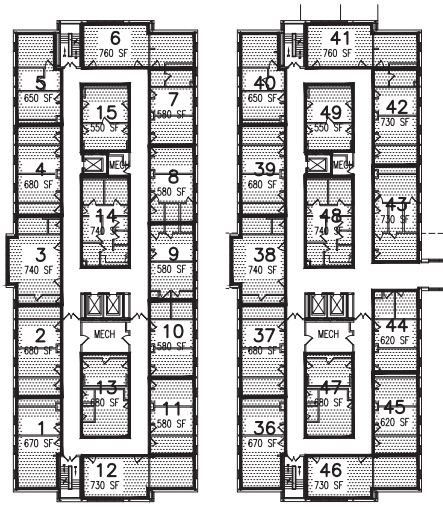
LEHIGH VALLEY OFFICE

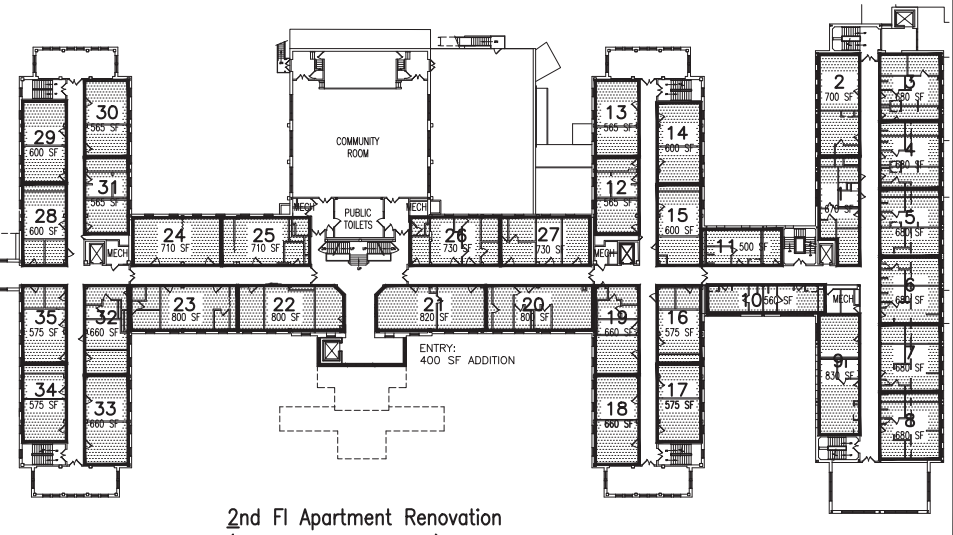
FACILITY ASSESSMENT AND FUTURE OPTIONS STUDY
CEDARBROOK-ALLENTOWN NURSING HOME
COUNTY OF LEHIGH
330 S. CEDARBROOK ROAD, ALLENTOWN, PA

FULL RENOVATION TO APARTMENTS, 1ST FL

RENOVATION
AR-10
MARCH 22, 2017



5th–7th Fl D Wing
Apartment Renovation
1" = 40'-0"



2nd Fl Apartment Renovation
(Typical For 3rd Floor)
(Typical For 4th Floor D Wing
1" = 40'-0"

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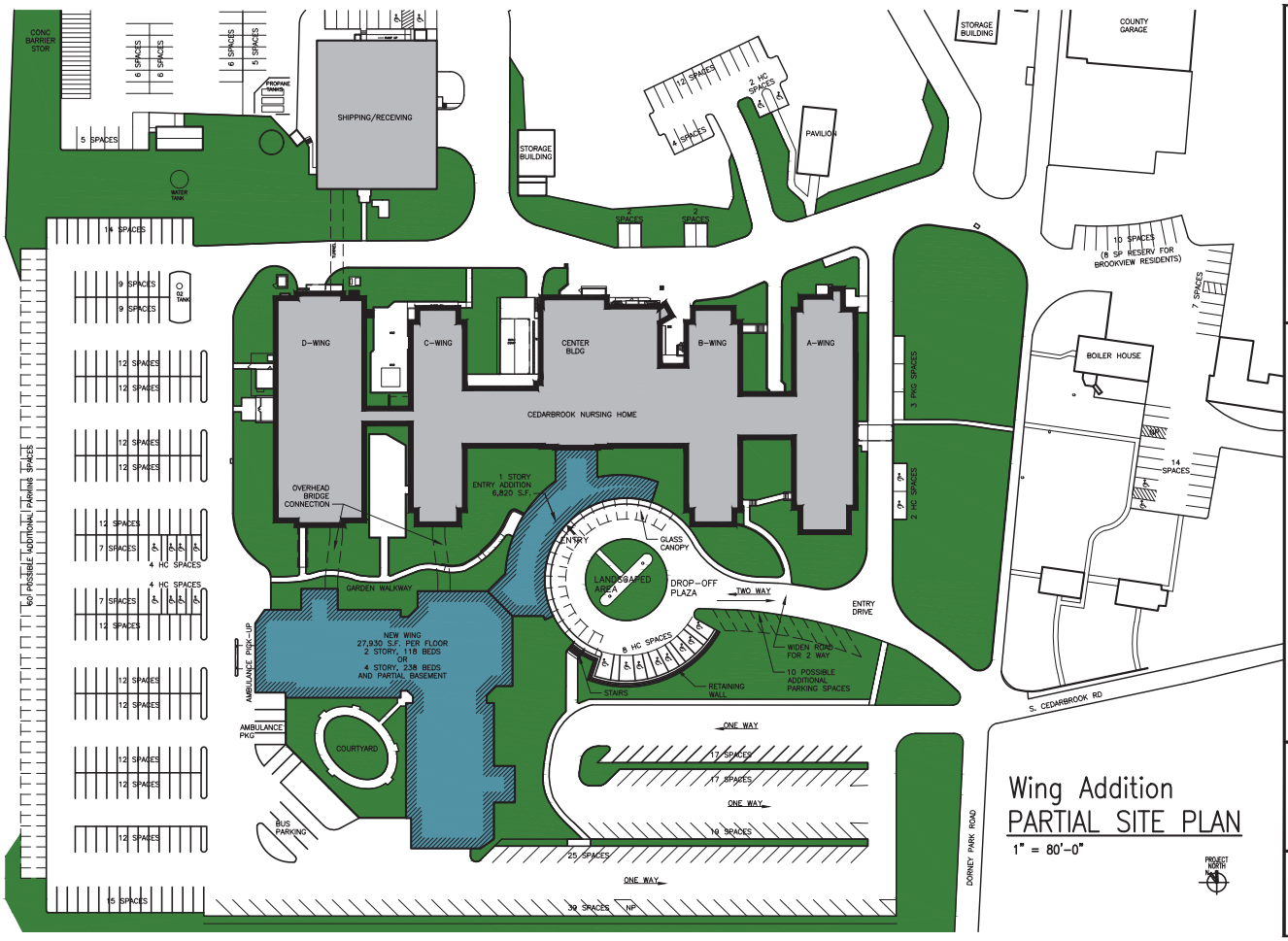
330 S. CEDARBROOK ROAD, ALLENTOWN, PA.

FULL
RENOVATION
TO
APARTMENTS.
2ND-3RD FLS

RENOVATION
AR-11
MARCH 22, 2017



Wing Addition

PARTIAL SITE PLAN

1" = 80'-0"

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CEDARBROOK-ALLENTOWN NURSING HOME

COUNTY OF LEHIGH

330 S. CEDARBROOK ROAD, ALLENTOWN, PA

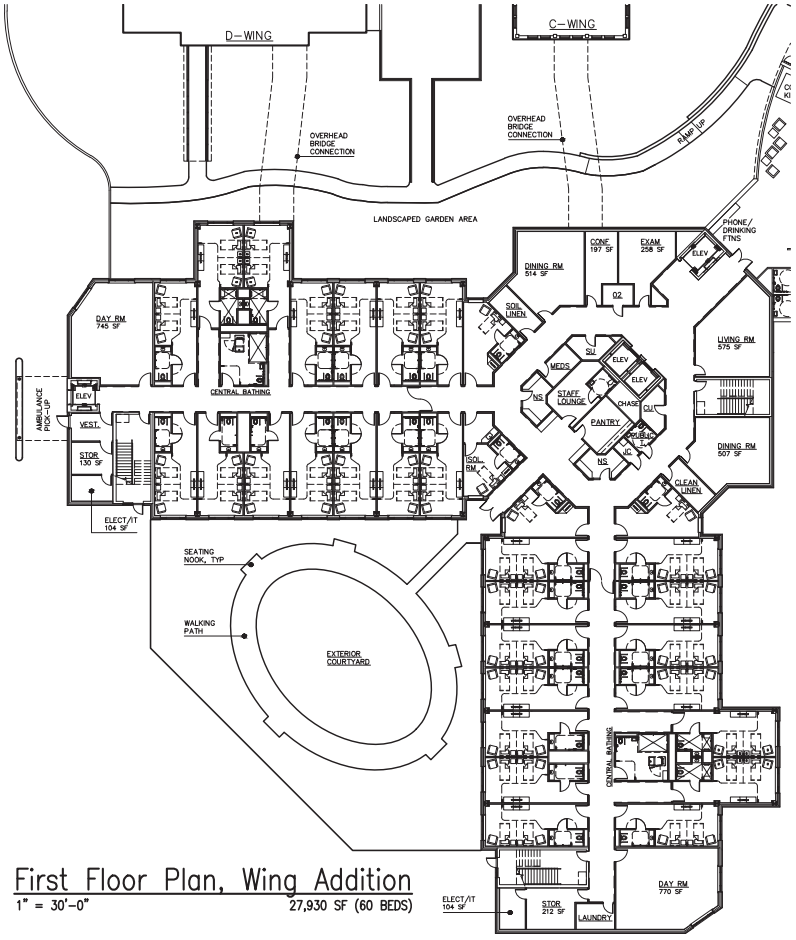
Scope Items 6.0. 7.0

WING ADDITION

PARTIAL SITE PLAN

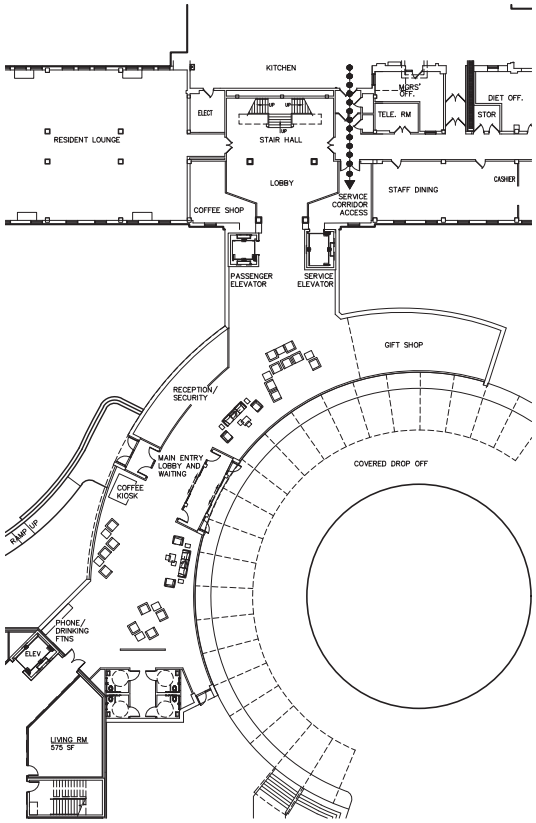
SP-1

MARCH 24, 2017



First Floor Plan, Wing Addition

1" = 30'-0" 27,930 SF (60 BEDS)



First Floor Plan,
Entry/Connecting Link Addition

1" = 30'-0" 6,820 SF

NOTE: 1ST FLOOR RENOVATION, EXISTING BUILDING: 1,810 SF

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FACILITY ASSESSMENT AND FUTURE OPTIONS STUDY
CEDARBROOK-ALLENTOWN NURSING HOME
COUNTY OF LEHIGH
30 S. CEDARBROOK ROAD, ALLENTOWN, PA

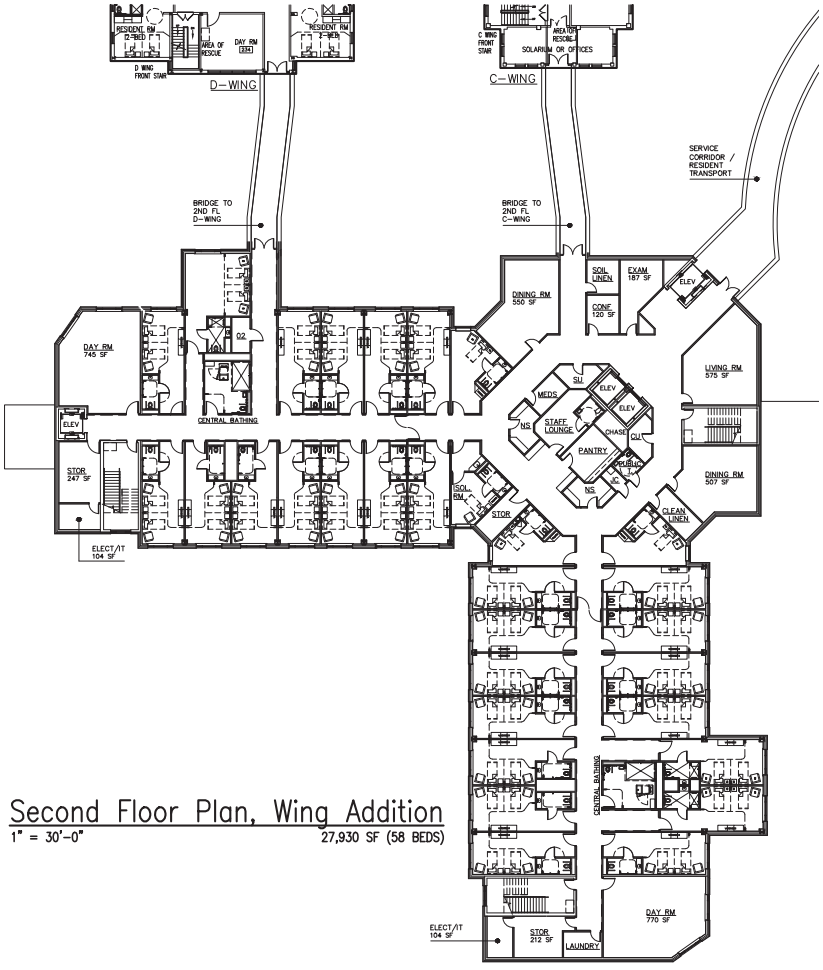
Scope Item 6.0

1ST FLOOR PLAN

WING ADDITION AND ENTRY/CONNECTING LINK ADDITION

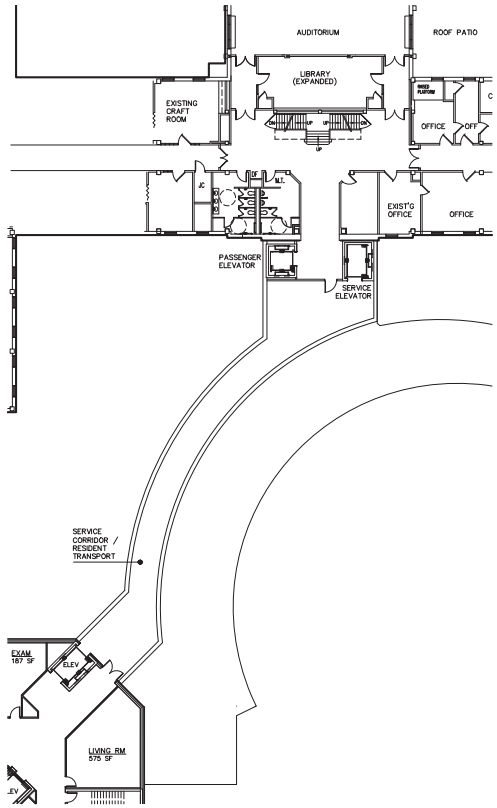
A-1

MARCH 22, 2017



Second Floor Plan, Wing Addition

1" = 30'-0" 27,930 SF (58 BEDS)



Second Floor Plan, Entry/Connecting Link Addition

1" = 30'-0" 2,340 SF

NOTE: 2ND FLOOR RENOVATION, EXISTING BUILDING: 3,300 SF

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CEDARBROOK-ALLENTOWN NURSING HOME
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330 S. CEDARBROOK ROAD, ALLENTOWN, PA

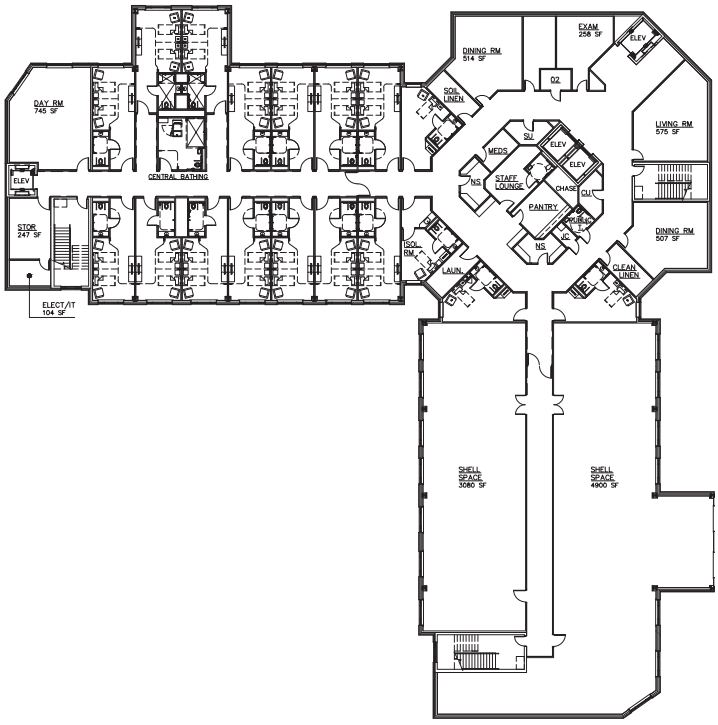
Scope Item 6.0

2ND FLOOR PLAN

WING ADDITION AND ENTRY/CONNECTING LINK ADDITION

A-2

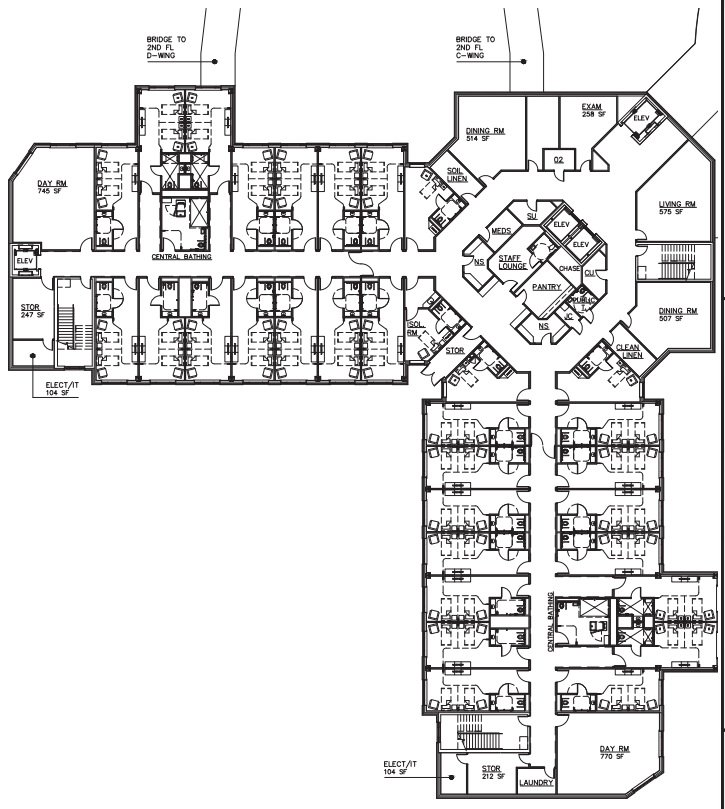
MARCH 22, 2017



8th Floor Plan, Wing Addition

1" = 30'-0"

19,950 SF FINISHED SPACE (32 BEDS)
7,980 SF SHELL SPACE (FUTURE EXPANSION, 28 BEDS)
27,930 SF TOTAL FLOOR AREA



3rd–7th Floor Plan, Wing Addition

1" = 30'-0"

27,930 SF (60 BEDS/FLOOR, 300 BEDS TOTAL)

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CEDARBROOK-ALLENTOWN NURSING HOME
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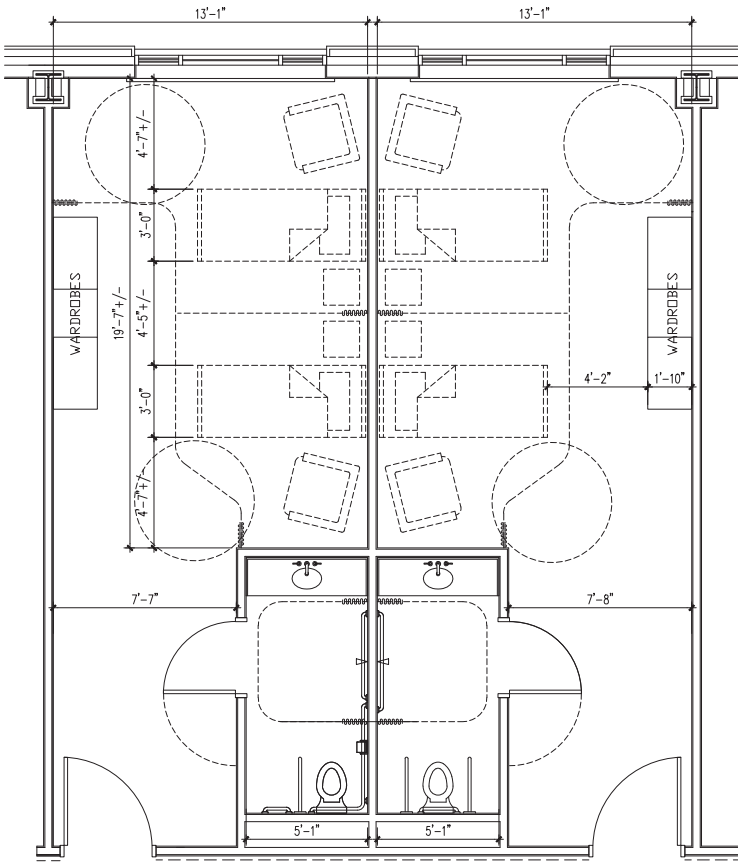
Scope Items 6.0, 7.0

3RD TO 8TH FLOOR PLANS

WING ADDITION

A-3

MARCH 22, 2017



Wing Addition – Typical Room

1/4" = 1'-0"

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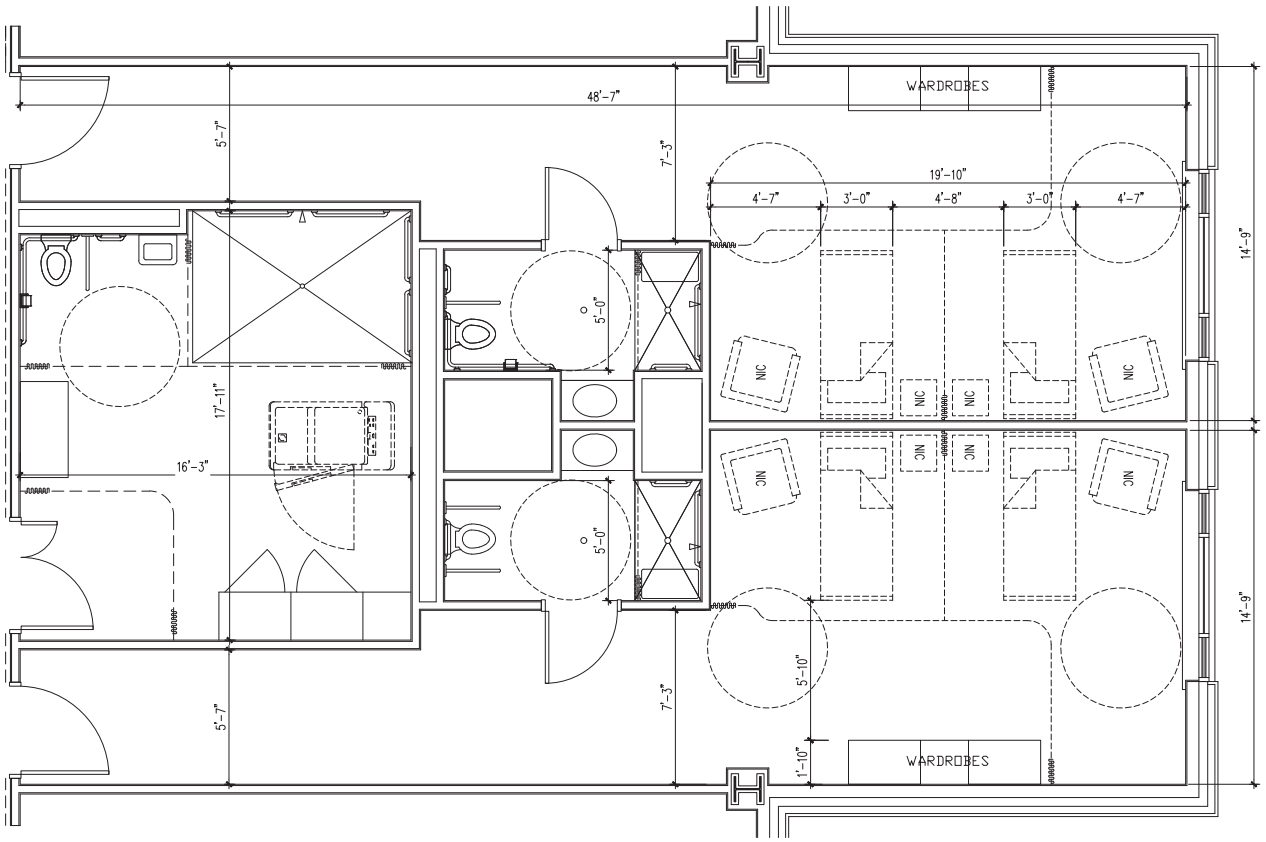
Scope Item 6.0

WING ADDITION

ENLARGED PLAN, TYPICAL ROOM

A-4

MARCH 22, 2017



Wing Addition – Typical Room / Assisted Bathing Room

1/4" = 1'-0"

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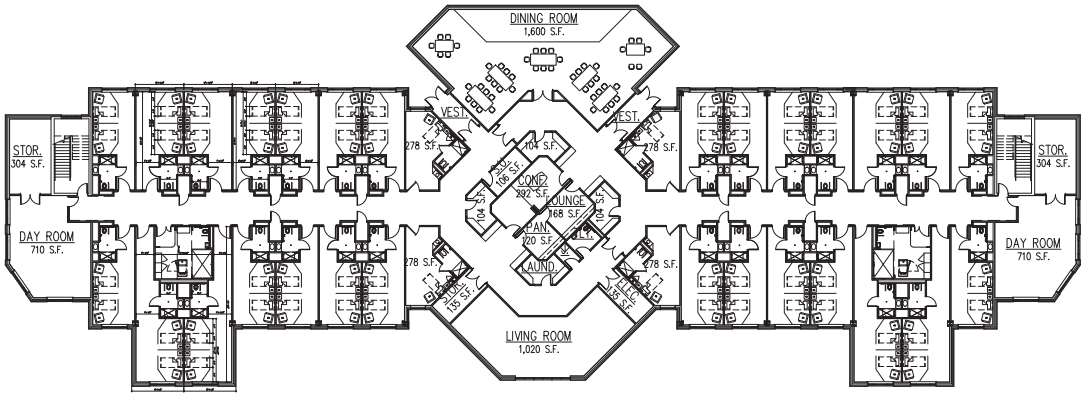
Scope Item 6.0

WING ADDITION

TYPICAL ROOM / ASSISTED BATHING ROOM

A-5

MARCH 22, 2017



Typical Floor Plan, Linear Wing Building Addition

1" = 30'-0"

27,300 SF PER FLOOR (60 BEDS PER FLOOR)

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CEDARBROOK-ALLENTOWN NURSING HOME
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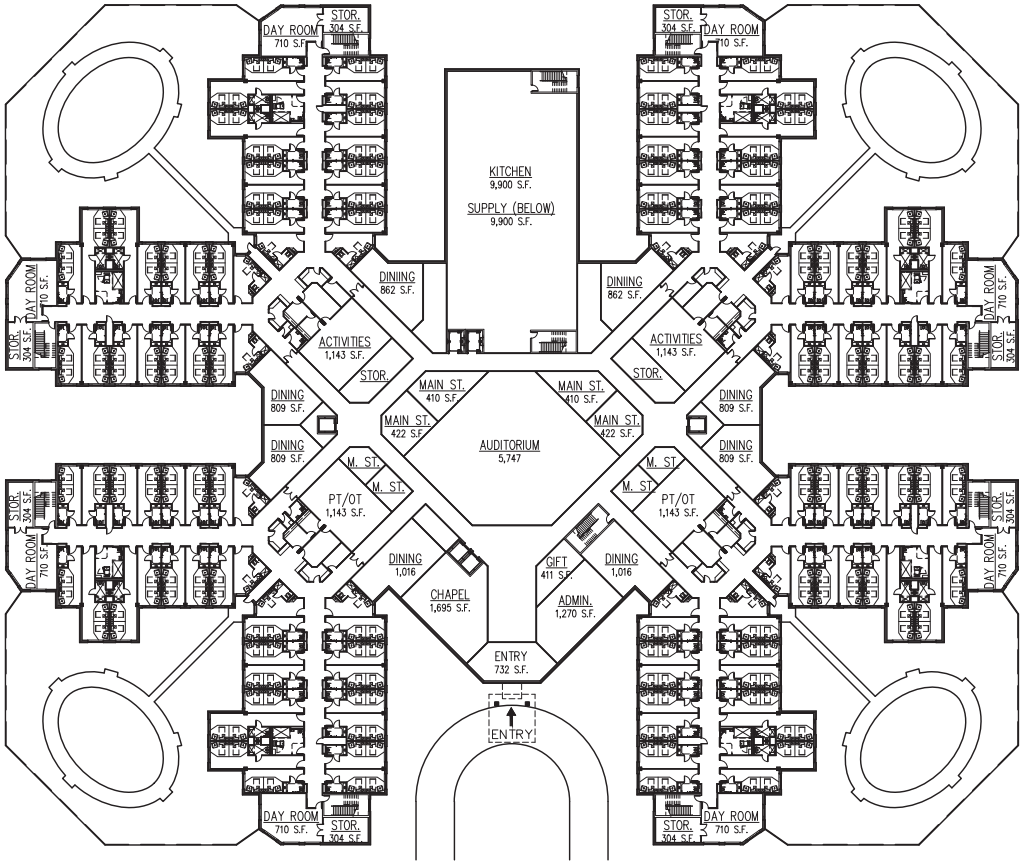
TYPICAL FLOOR PLAN, LINEAR WING BUILDING ADDITION

A-6

MARCH 22, 2017



First Floor Plan, New Building–New Site

1" = 30'-0"

136,830 SF (240 BEDS)

ROTH MARZ PARTNERSHIP P.C.

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FACILITY ASSESSMENT AND FUTURE OPTIONS STUDY

CEDARBROOK-ALLENTOWN NURSING HOME

COUNTY OF LEHIGH

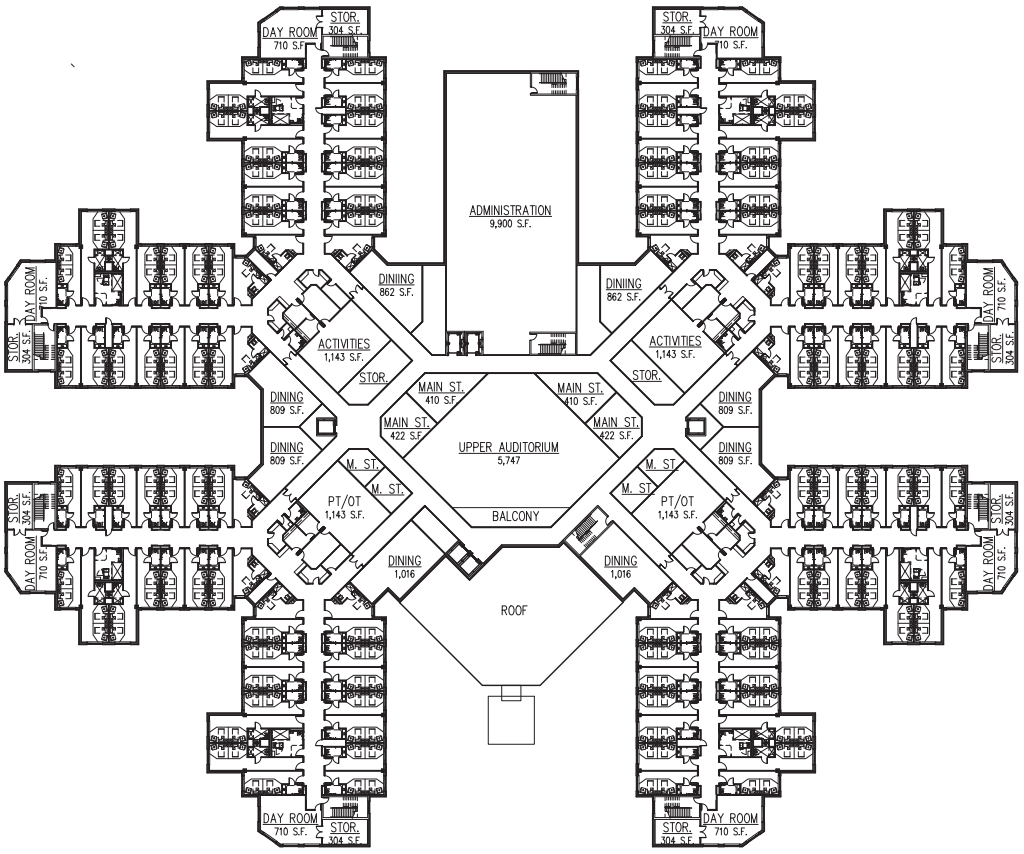
30 S. CEDARBROOK ROAD, ALLENTOWN, PA

Scope Item 7.0

FIRST FLOOR PLAN NEW BUILDING-NEW SITE

A-7

MARCH 22, 2017



Second Floor Plan, New Building–New Site

1" = 30'-0" 131,412 SF (240 BEDS)

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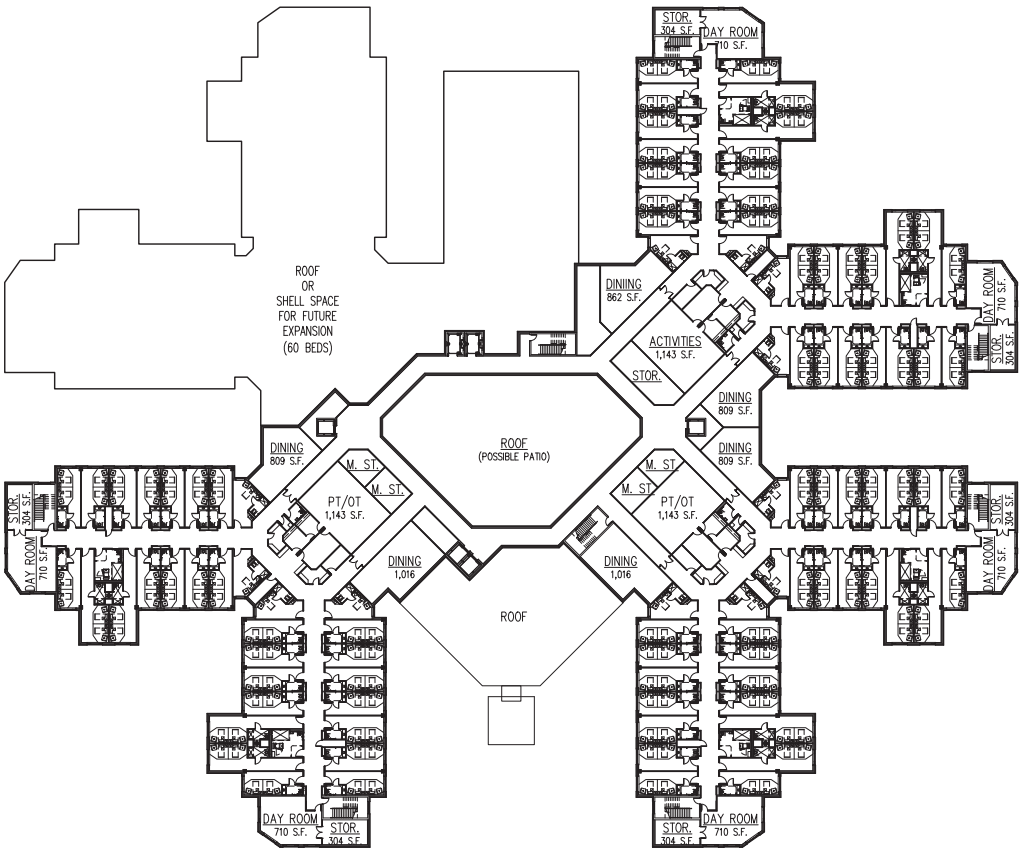
FACILITY ASSESSMENT AND FUTURE OPTIONS STUDY
CEDARBROOK-ALLENTOWN NURSING HOME
COUNTY OF LEHIGH
30 S. CEDARBROOK ROAD, ALLENTOWN, PA

Scope Item 7.0

SECOND FLOOR PLAN NEW BUILDING-NEW SITE

A-8

MARCH 22, 2017



Third Floor Plan, New Buildng–New Site

1" = 30'–0"

103,677 SF FINISHED SPACE (180 BEDS)
27,735 SF SHELL SPACE (FUTURE EXPANSION, 60 BEDS)
131,412 SF TOTAL FLOOR AREA

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FACILITY ASSESSMENT AND FUTURE OPTIONS STUDY
CEDARBROOK-ALLENTOWN NURSING HOME
COUNTY OF LEHIGH
30 S. CEDARBROOK ROAD, ALLENTOWN, PA

Scope Item 7.0

THIRD **FLOOR PLAN NEW BUILDING-NEW SITE**

A-9

MARCH 22, 2017

EHXIBIT 4

- OPTION 4.0, CURRENT FACILITY ASSESSMENT — $8,500,000
  - MEP SYSTEMS UPGRADE
  - FAÇADE RESTORATION
  - SHIPPING/RECEIVING BUILDING ROOF REPLACEMENT
  - BOILER HOUSE MEP UPGRADES

Current Total Number Of Licensed Beds	670
Current Licensed Beds - Cedarbrook-Allentow	473
Current Licensed Beds - Fountain Hill	197

- OPTION 5.0, REHABILITATION WITHOUT EXPANSION — $28,800,000
  - 360 BEDS TOTAL (LOSS OF 113 BEDS)
  - RENOVATION OF NURSING UNITS IN B- C- D-WINGS AND FRONT ENTRANCE
  - FACILITY UPGRADE ITEMS PER 4.0

- OPTION 6.0-A, 118 BED BUILDING ADDITION — $54,400,000
  - PROVIDES 478 BEDS IN B- C- D WINGS AND BUILDING ADDITION
    - Option - Movement of 5 Beds from Fountain Hill To Cedarbrook
  - RENOVATION OF NURSING UNITS IN B- C- D-WINGS AND FRONT ENTRANCE
  - FACILITY UPGRADE ITEMS PER 4.0

- OPTION 6.0-B, 238 BED BUILDING ADDITION — $68,000,000
  - PROVIDES 484 BEDS IN D WING AND BUILDING ADDITION
    - Option - Movement of 11 Beds from Fountain Hill To Cedarbrook
  - B WING: CONVERSION TO APARTMENTS
  - C WING AND CENTER BUILDING: CONVERSION TO OFFICES & SUPPORT AREAS
  - D WING: RENOVATION OF NURSING UNITS
  - FACILITY UPGRADE ITEMS PER 4.0

- OPTION 7.0-A, NEW FACILITY ON NEW SITE — $122,300,000
  - 670 LICENSED BEDS
  - INVOLVES DISPOSITION OF EXISTING CEDARBROOK AND FOUNTAIN HILL FACILITIES
    - Option - Resale As Is
    - Option - Demolition Of Existing Facility & Re-use Of Site
    - Option - Demolition Of Existing Facility & Sale Of Site
    - Conversion Of Existing Facility To Apartments At Standard of Cedarview

- OPTION 7.0-B, 8 FL BUILDING ADDITION — $107,400,000
  - PROVIDES 670 LICENSED BEDS IN D WING AND BUILDING ADDITION
  - COMBINES CEDARBROOK-ALLENTOWN AND FOUNTAIN HILL FACILITIES
  - SHELL SPACE AVAILABLE ON 8TH FLOOR FOR EXPANSION
  - B WING: CONVERSION TO APARTMENTS
  - C WING AND CENTER BUILDING: CONVERSION TO OFFICES & SUPPORT AREAS
  - D WING: RENOVATION OF NURSING UNITS
    - 24 D Wing Dayroom Beds Incorporated Into Addition
  - FACILITY UPGRADE ITEMS PER 4.0

Description	SF	Cost/SF	Subtotal	Total W/8.5% Prof Fee	Total W/ 10% Contingency
Façade Restoration - Cleaning & Water Repellant					
Main Facility, A-B-C Wings	91,300	$1.80	$164,340		
Main Facility, D-Wing	50,700	$2.30	$116,610		
Boiler House	5,400	$1.80	$9,720		
Laundry Bldg	8,280	$1.80	$14,904		
Façade Repair, Including Brick Replacement, Repointing, Crack Repair In Selective Areas			$50,000		
		Facade Restoration Subtotal	$355,574	$385,798	$424,378
Asbestos Abatement	LS		$150,000	$162,750	$179,025
Shipping/Receiving Bldg Roof Replacement	14,270	$20.00	$285,400	$309,659	$340,625
4.0-B MEP ITEMS					
Main Facility:					
General Construction To Support MEP			$500,000	$542,500	$596,750
B Wing MEP*	See Attached Detail Sheet		$1,702,088	$1,846,765	$2,031,442
C Wing MEP*	See Attached Detail Sheet		$953,590	$1,034,645	$1,138,110
D Wing MEP*	See Attached Detail Sheet		$2,928,650	$3,177,585	$3,495,344
Boiler House MEP*	See Attached Detail Sheet		$185,000	$200,725	$220,798
		4.0 TOTAL, FACILITY UPGRADE			$8,426,470

AREA	SYSTEM	SCOPE	QUANTITY	UNITS	Cost/unit	Subtotal	TOTAL Renov Cost
BOILER HOUSE	STEAM	Replace cond return and feedwater pumps	5	ea	10,000.00	$50,000	
		Replace steam main to B-wing	400	lf	150.00	$60,000	
		Replace electrical switchgear	1	ls	75,000.00	$75,000	
					Subtotal Boiler House MEP =	**$185,000**	
A-WING	ALL	No work required				$0	
B-WING	HVAC	Replace B-1,2,3 ducted split AC system indoor/outdoor units	3	ea	$85,000	$255,000	
		Replace B-1,2,3 hot water radiation	27,072	sf	$6	$162,432	
		Replace pneumatic ATC with electronic controls	1	ls	$150,000	$150,000	
		Replace roof exhaust fans, TAB ducts	4	ea	$5,000	$20,000	
		Replace steam distribution header, PRV's, main piping and valves	1	ls	$150,000	$150,000	
	PLUMBING	Replace all DWV system piping	27,072	sf	$6	$162,432	
		Replace all hot and cold water piping	27,072	sf	$8	$216,576	
		Replace most plumbing fixtures	80	ea	$800	$64,000	
	ELECTRICAL	Replace main switchgear	1	ea	$150,000	$150,000	
		Replace generator system	1	ea	$120,000	$120,000	
		Replace panelboards and feeders	27,072	sf	$6	$162,432	
		Replace lighting fixtures	27,072	sf	$3	$81,216	
						$0	
	SPRINKLER	Minor repair work and head replacement	1	ls	$8,000	$8,000	
					Subtotal B-Wing MEP =	**$1,702,088**	
C-WING	HVAC	Replace C-2,3 ducted split AC system indoor/outdoor units	2	ea	$85,000	$170,000	
		Replace C-2,3 hot water radiation	19,450	sf	$6	$116,700	
		Replace pneumatic ATC with electronic controls	1	ls	$40,000	$40,000	
		Replace roof exhaust fans, TAB ducts	4	ea	$5,000	$20,000	
		Replace steam distribution header, PRV's, main piping and valves	1	ls	$20,000	$20,000	
	PLUMBING	Replace all DWV system piping	23,430	sf	$6	$140,580	
		Replace all hot and cold water piping	23,430	sf	$8	$187,440	
		Replace most plumbing fixtures	50	ea	$800	$40,000	
	ELECTRICAL	Replace panelboards and feeders	23,430	sf	$6	$140,580	
		Replace lighting fixtures	23,430	sf	$3	$70,290	
						$0	
	SPRINKLER	Minor repair work and head replacement	1	ls	$8,000	$8,000	
					Subtotal C-Wing MEP =	**$953,590**	
D-WING	HVAC	Replace roof exhaust fans, TAB ducts	6	ea	$7,000	$42,000	
		Replace steam distribution, PRV's, main piping and valves	1	ls	$30,000	$30,000	
	PLUMBING	Replace all DWV system piping	116,045	sf	$6	$696,270	
		Replace all hot and cold water piping	116,045	sf	$8	$928,360	
		Replace most plumbing fixtures	280	ea	$800	$224,000	
	ELECTRICAL	Replace panelboards and feeders	116,045	sf	$6	$696,270	
		Replace most lighting fixtures	101,250	sf	$3	$303,750	
	SPRINKLER	Minor repair work and head replacement	1	ls	$8,000	$8,000	
					Subtotal D-Wing MEP =	**$2,928,650**	
					TOTAL MEP REFURBISHMENT =		**$5,769,328**

EXCLUSIONS:
Security System upgrades are excluded
Kitchen upgrades (emergency power) are excluded
Auditorium and Family Room upgrades are excluded

5.0 EXISTING FACILITY RENOVATION PER SKETCHES AR-1 THRU AR-12

Level 1 GC Renovation: Partition Demo, New Partition, New Doors, New Casework, New Finishes
Level 2 GC Renovation: Finish Upgrade Only

Area	Description	SF	Cost/SF	Subtotal	Cost Per Floor	Cost Per Wing	# Of Beds /NU
Basement	No GC work - MEP Infrastructure Work Is Included In Upper Floor Renov.						
A Wing	No Work						
B Wing 1st Fl Nursing Unit	GC Level 1	4,326	$125.00	$540,750			
7,810 sf Total	GC Level 2	3,484	$85.00	$296,140			
	MEP	7,810	$75.00	$585,750	$1,422,640		17
B Wing 2nd Fl Nursing Unit	GC Level 1	4,466	$125.00	$558,250			
7,810 sf Total	GC Level 2	3,344	$85.00	$284,240			
	MEP	7,810	$75.00	$585,750	$1,428,240		17
B Wing 3rd Fl Nursing Unit	GC Level 1	6,449	$125.00	$806,125			
11,452 sf Total	GC Level 2	5,003	$85.00	$425,255			
(Extends Into Cntr Bldg)	MEP	11,452	$75.00	$858,900	$2,090,280		30
					B WING TOTAL	$4,941,160	64
C Wing 1st Fl	Minor MEP Due To 2nd Fl Wk			$30,000	$30,000		
C Wing 2nd Fl Nursing Unit	GC Level 1	4,454	$125.00	$556,750			
8,050 sf Total	GC Level 2	3,596	$85.00	$305,660			
	MEP	8,050	$55.00	$442,750	$1,305,160		20
C Wing 3rd Fl Nursing Unit	GC Level 1	4,926	$125.00	$615,750			
11,400 sf Total	GC Level 2	6,474	$85.00	$550,290			
(Extends Into Cntr Bldg)	MEP	11,400	$55.00	$627,000	$1,793,040		30
					C WING TOTAL	$3,128,200	50
D Wing 1st Fl	Minor MEP Due To 2nd Fl Wk			$50,000	$50,000		
D Wing 2nd Fl Nursing Unit	GC Level 1	8,049	$120.00	$965,880			
14,692 sf Total	GC Level 2	6,643	$80.00	$531,440			
	MEP	14,692	$37.00	$543,604	$2,040,924		41
D Wing 3rd Fl Nursing Unit	GC Level 1	7,889	$120.00	$946,680			
14,685 sf Total	GC Level 2	6,796	$90.00	$611,640			
	MEP	14,685	$37.00	$543,345	$2,101,665		41
D Wing 4th Fl Nursing Unit	GC Level 1	7,889	$120.00	$946,680			
14,244 sf Total	GC Level 2	6,355	$80.00	$508,400			
	MEP	14,244	$37.00	$527,028	$1,982,108		41
D Wing 5th Fl Nursing Unit	GC Level 1	7,889	$120.00	$946,680			
14,244 sf Total	GC Level 2	6,355	$80.00	$508,400			
	MEP	14,244	$37.00	$527,028	$1,982,108		41
D Wing 6th Fl Nursing Unit	GC Level 1	7,889	$120.00	$946,680			
14,244 sf Total	GC Level 2	6,355	$80.00	$508,400			
	MEP	14,244	$37.00	$527,028	$1,982,108		41
D Wing 7th Fl Nursing Unit	GC Level 1	7,889	$120.00	$946,680			
14,244 sf Total	GC Level 2	6,355	$80.00	$508,400			
	MEP	14,244	$37.00	$527,028	$1,982,108		41
					D WING TOTAL	$12,121,021	246
Misc - B Wing/C Wing Stairs Railing Replacements					$240,240		
Misc - Corridor Dr Replacement To 36" Leafs					$12,000		
Misc - Accessibility Upgrades In Non-Resident Rm Areas					$50,000		
					MISC ITEMS TOTAL	$302,240	
					5.0 TOTAL B-C-D NURSING UNIT RENOVATION COSTS	$20,492,621	360
					Cost Per Bed	$56,923.95	

5.0 MAIN ENTRY RENOVATION PER SKETCH AR-0

Description	SF	Cost/SF	Subtotal	Total Cost
Excavation/Ret Wall			$300,000	
Paving/Curbing	12,700	$3.00	$38,100	
Storm Water Management			$40,000	
Demolition			$30,000	
Bldg Addition	1,840	$220.00	$404,800	
Canopy			$500,000	
Renov 1st Fl Center Bldg	1,810	$175.00	$316,750	
Renov 2nd Fl Center Bldg	3,300	$175.00	$577,500	
			TOTAL, 5.0 MAIN ENTRY RENOVATION	$2,207,150

SUBTOTAL, 5.0 RENOVATION COSTS	$22,699,771
Asbestos Abatement	$500,000
Subtotal	$23,199,771
Professional Fees, 7%	$1,623,984
Subtotal	$24,823,755
FFE	$300,000
Subtotal	$25,123,755
Contingency 10%	$2,512,375
Subtotal	$27,636,130
4.0 UPGRADE COSTS (Façade, Shipping/Receiving Bldg Roof, Boiler House)	$1,164,825
TOTAL, 5.0 SCOPE ITEMS	**$28,800,955**
Cost Per Bed	$80,002.65

Description	Unit	Unit Qty	Cost/Unit	Item Cost	Total Cost
6.0-A, 118 BED ADDITION, 2 FLOORS; RENOVATION OF B- C- D WINGS					TOTAL BEDS: 478
New Construction					
Site Work/Retaining Walls /Landscaping /Sidewalks / Storm Water Management	LS			$2,500,000	
Site Utilities	LS			$750,000	
Parking W Storm Water Managerment	Pkg Space	209	$4,000.00	$836,000	
Building Addition, 2 Fls, 118 Beds	SF	55,860	$225.00	$12,568,500	
Building Addition, Partial Basement	SF	14,000	$155.00	$2,170,000	
Building Addition, Penthouses	SF	5,200	$135.00	$702,000	
Building Addition, Entrance, 1st Fl Main Lobby	SF	7,090	$200.00	$1,418,000	
Building Addition, Entrance, 2nd Fl Service Hall	SF	2,620	$200.00	$524,000	
Canopy, Main Entrance	LS			$550,000	
Canopy, Ambulance Pick-Up	LS			$85,000	
C-Wing Bridge	LF	60	$9,000.00	$540,000	
D-Wing Bridge	LF	55	$9,000.00	$495,000	
				Subtotal, New Construction	$23,138,500
Existing Building Renovation					
Entry Renovation, 1st Fl Center Building	SF	1,810	$125.00	$226,250	
Entry Renovation, 2nd Fl Center Building	SF	3,300	$125.00	$412,500	
Nursing Units B-C-D Wing from 5.0				$20,492,621	
				Subtotal, Renovation	$21,131,371
				Subtotal, Scope Item 6.0-A	$44,269,871
				Asbestos Abatement	$500,000
				Subtotal	$44,769,871
				Professional Fee, 6.25%	$2,798,117
				Subtotal	$47,567,988
				FFE	$800,000
				Subtotal	$48,367,988
				Contingency, 10%	$4,836,799
				Subtotal, 6.0-A + Contingency	$53,204,787
				4.0 FACILITY UPGRADE (Façade, Shipping/Receiving Bldg Roof, Boiler House)	$1,164,825
				TOTAL, SCOPE ITEM 6.0-A	**$54,369,612**
				Cost Per Bed	$113,744
6.0-B, 238 BED ADDITION, 4 FLOORS; RENOV FOR D-WING NU, C WING OFFICE, B WING APARTMENTS					TOTAL BEDS: 484
New Construction					
Site Work/Retaining Walls /Landscaping /Sidewalks / Storm Water Management	LS			$2,500,000	
Site Utilities	LS			$750,000	
Parking W Storm Water Managerment	Pkg Space	209	$4,000.00	$836,000	
Building Addition, 4 Fls, 240 Beds	SF	111,720	$235.00	$26,254,200	
Building Addition, Partial Basement	SF	14,000	$155.00	$2,170,000	
Building Addition, Penthouses	SF	7,200	$135.00	$972,000	
Building Addition, Entrance, 1st Fl Main Lobby	SF	7,090	$200.00	$1,418,000	
Building Addition, Entrance, 2nd Fl Service Hall	SF	2,620	$200.00	$524,000	
Canopy, Main Entrance	LS			$550,000	
Canopy, Ambulance Pick-Up	LS			$85,000	
C-Wing Bridge	LF	60	$9,000.00	$540,000	
D-Wing Bridge	LF	55	$9,000.00	$495,000	
				Subtotal, New Construction	$37,094,200
Existing Building Renovation					
D Wing Nursing Unit Renovation From 5.0				$12,121,021	
2nd Fl C Wing - Office/Chapel	SF	7,810	$125.00	$976,250	
3rd Fl C Wing - Office/Storage Space	SF	7,810	$125.00	$976,250	
Apartments, B Wing 1st Floor	SF	7,810	$125.00	$976,250	
Apartments, B Wing 2nd Floor	SF	7,810	$125.00	$976,250	
Apartments, B Wing 3rd Floor	SF	7,810	$125.00	$976,250	
1st Fl Center Bldg - Entry Renov/Employee Dining	SF	1,810	$125.00	$226,250	
2nd Fl Center Bldg - Entry Renov	SF	3,300	$125.00	$412,500	
3rd Fl Center Bldg - Office/Storage Space	SF	5,429	$125.00	$678,625	
				Subtotal, Renovation	$18,319,646
				Subtotal, Scope Item 6.0-B	$55,413,846
				Asbestos Abatement	$500,000
				Subtotal	$55,913,846
				Professional Fee, 6.25%	$3,494,615
				Subtotal	$59,408,461
				FFE	$1,300,000
				Subtotal	$60,708,461
				Contingency, 10%	$6,070,846
				Subtotal	$66,779,308
				4.0 FACILITY UPGRADE (Façade, Shipping/Receiving Bldg Roof, Boiler House)	$1,164,825
				TOTAL, SCOPE ITEM 6.0-B	**$67,944,132**

7.0 -A, NEW FACILITY ON NEW SITE, 3 FLOORS

New Facility Combining All Licensed Skill Nursing (670 Beds) in Cedarbrook-Allentown and Fountain Hill
Proposed 3 story facility would consist of (11) 60 bed nursing units as follows:
4 Nursing Units on 1st floor -- 240 Beds
4 Nursing Units on 2nd floor -- 240 Beds
3 Nursing Units on 3rd floor -- 180 Beds*
*Affords future expansion of 50 beds on 3rd floor.

SF Area:
1st Floor 136,830 sf
2nd Floor 131,412 sf
3rd Floor 104,677 sf
Total 372,919 sf
*3rd Floor Shell 26,735 sf

Description	Unit	Unit Qty	Cost/Unit	Unit Cost	Total Cost
Land Cost	Acre	20	$50,000.00	$1,000,000	
Site Utilities	LS			$1,250,000	
Site: Parking, Storm Water, Site Lighting	Car	600	$4,000.00	$2,400,000	
Site: Misc Site Work Limited To Flat Site - Landscaping, Soil Conservation	LS			$500,000	
Building Construction, Partial Basement	SF	11,900	$155.00	$1,844,500	
Building Construction, 1st Fl, 2nd Fl, Partial 3rd Fl	SF	379,919	$240.00	$91,180,560	
Building Construction, 3rd Floor Shell Space	SF	27,735	$95.00	$2,634,825	
Building Construction, (4) Penthouses	SF	20,800	$135.00	$2,808,000	
Maintenance Building	SF	12,000	$95.00	$1,140,000	
Storage Building	SF	7,500	$125.00	$937,500	
				Subtotal, 7.0-A New Facility On New Site	$105,695,385
				Professional Fee, 5.75%	$6,077,485
				Subtotal	$111,772,870
				FFE	$2,500,000
				Subtotal	$114,272,870
				Contingency, 7%	$7,999,101
				TOTAL, 7.0-A NEW FACILITY COSTS	**$122,271,971**
				Cost Per Bed	$182,495.48

7.0 -B, BUILDING ADDITION ON EXISTING SITE, 8 FLOORS

670 Skill Nursing Beds contained in D Wing and New Addition Combines Cedarbrook-Allentown And Fountain Hill
Shell space available on 8th floor for expansion.
Existing Facility D Wing Renovated To Nursing Units; 24 D Wing Dayroom beds incorporated in addition.
Existing Facility C Wing Converted To Offices
Existing Facility B Wing Converted To Apartments

Item Description	Unit	Unit Qty	Cost/Unit	Item Cost	Total Cost
New Construction					
Site Work/Retaining Walls /Landscaping /Sidewalks / Storm Water Management	LS			$2,500,000	
Site Utilities	LS			$750,000	
Additional Grade Parking, Storm Water, Site Lighting	Pkg Space	209	$4,000.00	$836,000	
Parking Structure, 300 Cars	Pkg Space	300	$20,000.00	$6,000,000	
Building Addition, 8 Fls	SF	223,440	$250.00	$55,860,000	
Building Addition, Partial Basement	SF	14,000	$155.00	$2,170,000	
Building Addition, Penthouses	SF	7,200	$135.00	$972,000	
Building Addition, Entrance, 1st Fl Main Lobby	SF	6,820	$200.00	$1,364,000	
Building Addition, Entrance, 2nd Fl Service Corridor	SF	2,340	$135.00	$315,900	
Canopy, Main Entrance	LS			$550,000	
Canopy, Ambulance Pick-Up	LS			$85,000	
C-Wing Bridge	LF	60	$9,000.00	$540,000	
D-Wing Bridge	LF	55	$9,000.00	$495,000	
				Subtotal, New Construction	$72,437,900
Existing Building Renovation					
D Wing Nursing Unit Renovation From 5.0				$12,121,021	
2nd Fl C Wing - Office/Chapel	SF	7,810	$125.00	$976,250	
3rd Fl C Wing - Office/Storage Space	SF	7,810	$125.00	$976,250	
Apartments, B Wing 1st Floor	SF	7,810	$125.00	$976,250	
Apartments, B Wing 2nd Floor	SF	7,810	$125.00	$976,250	
Apartments, B Wing 3rd Floor	SF	7,810	$125.00	$976,250	
1st Fl Center Bldg - Entry Renov/Employee Dining	SF	1,810	$125.00	$226,250	
2nd Fl Center Bldg - Entry Renov	SF	3,300	$125.00	$412,500	
3rd Fl Center Bldg - Office/Storage Space	SF	5,429	$125.00	$678,625	
				Subtotal, Renovation	$18,319,646
				Subtotal, Scope Item 7.0-B	$90,757,546
				Asbestos Abatement	$500,000
				Subtotal	$91,257,546
				Professional Fee, 6.25%	$5,703,597
				Subtotal	$96,961,143
				FFE	$1,800,000
				Subtotal	$98,761,143
				Contingency, 7.5%	$7,407,086
				Subtotal, 7.0-B +Contingency	$106,168,228
				4.0 FACILITY UPGRADE (Façade, Shipping/Receiving Bldg Roof, Boiler House)	$1,164,825
				TOTAL, SCOPE ITEM 7.0-B	**$107,333,053**

7.0 -A1, DEMOLITION OF EXISTING FACILITY

Includes demolition of buildings and pavement east of Dorney Park Road
and does not include demolition of steam tunnel, boiler house, and surrounding buildings/structures.
Demolition costs include 20 mile haul. No salvage is assumed.

Description	Unit	Unit Qty	Cost/Unit	Unit Cost	Total Cost
Building Demolition, Main Facility Superstructure, Fls 1-3	CF	2,022,636	$1.00	$2,022,636	
Building Demolition, Main Facility Basement	CF	439,404	$1.50	$659,106	
Building Demolition, Main Facility D Wing Fls 4-7	CF	683,808	$1.50	$1,025,712	
Building Demolition, Connecting Tunnel + S/R Basement	CF	22,260	$1.00	$22,260	
Building Demolition, Shipping/Receiving, Gr Fl	CF	171,240	$0.50	$85,620	
Building Demolition, Remediation	LS			$350,000	
Site Demolition, Pavement	SF	254,000	$0.50	$127,000	
Site Demolition, Misc:	LS			$500,000	
Sidewalks, Pads, Pavilions, Retaining Walls, Small Storage Buildings, Lighting, Etc.					
Site Fill (No Compaction)	CF	461,664	$0.25	$115,416	
Grading and Seeding	SF	600,000	$0.20	$120,000	
				Subtotal, 7.0-A1 Demolition Of Existing Facility Costs	$5,027,750
				Professional Fee, 3%	$150,833
				Subtotal	$5,178,583
				Contingency, 5%	$258,929
				TOTAL, 7.0-A1 DEMOLITION OF EXISTING FACILITY COSTS	**$5,437,512**

7.0 -A2, CONVERSION OF EXISTING FACILITY TO APARTMENTS

Description	Unit	Unit Qty	Cost/Unit	Unit Cost	Total Cost
1st Floor Main Entrance					
Excavation/Ret Wall				$300,000	
Paving/Curbing	SF	12,700	$3.00	$38,100	
Storm Water Management				$40,000	
Demolition				$30,000	
Bldg Addition	SF	1,840	$220.00	$404,800	
Canopy				$100,000	$912,900
Basement A-Wing (Apartment Offices)	SF	11,814	$60.00	$11,874	$708,840
1st Floor Apartment Renovation (56 Apartments)	SF	59,005	$120.00	$7,080,600	$7,080,600
2nd Floor Apartment Renovation (49 Apartments)	SF	54,774	$120.00	$6,572,880	$6,572,880
3rd Floor Apartment Renovation (49 Apartments)	SF	54,774	$120.00	$6,572,880	$6,572,880
4th Floor D Wing Apartment Renovation (14 Apartments)	SF	14,246	$120.00	$1,709,520	$1,709,520
5th Floor D Wing Apartment Renovation (15 Apartments)	SF	14,246	$120.00	$1,709,520	$1,709,520
6th Floor D Wing Apartment Renovation (15 Apartments)	SF	14,246	$120.00	$1,709,520	$1,709,520
7th Floor D Wing Apartment Renovation (15 Apartments)	SF	14,246	$120.00	$1,709,520	$1,709,520
				Subtotal, 7.0-A2 Conversion Of Existing Facility To Apartments	$28,686,180
				Professional Fee, 6.25%	$1,792,886
				Subtotal	$30,479,066
				Contingency, 10%	$3,047,907
				TOTAL, 7.0-A2 CONVERSION OF EXISTING FACILITY TO APARTMENTS	**$33,526,973**

EHXIBIT 5

CB Options
3.22.17

Cedarbrook Options

	Options	Number of Beds: Allentown	Fountain Hill	Total	Est Construction Cost for Project	Potential Offsets: Sale of FH	Operational Effeciency	Negative Mission Impact
A.1)	Do Nothing	473	197	670	$ -	$ -	No	No
A.2)	Sell Fountain Hill	473	0	473	$ -	$ 10,500,000	Yes	Yes
B.1)	Renovate Allentown (B, C, & D Wings; upgrade front entrance)	360	197	557	$ 28,700,000	$ -	No	Yes
B.2)	and Sell FH	360	0	360	$ 28,700,000	$ 10,500,000	Yes	Yes
C.1)	Option B.1 and Add 120 Bed Wing	480	190	670	$ 54,000,000	$ -	Yes	No
C.2)	and Sell FH	480	0	480	$ 54,000,000	$ 10,500,000	Yes	Yes
D.1)	Rebuild D Wing; C Wing to Offices, B Wing to Apts, & Add 240 Bed Wing	486	184	670	$ 67,900,000	$ -	Yes	No
D.2)	and Sell FH	486	0	486	$ 67,900,000	$ 10,500,000	Yes	Yes
E.1)	Option D.1 & Add 448 Bed Wing; Sell FH	670	0	670	$ 107,300,000	$ 10,500,000	Yes	No
F.1)	Build New 670 Bed Home (Rehab CBA & Sell FH)	0	0	670	$ 141,000,000	$ 10,500,000	Yes	No
F.2)	Build New 480 Bed Home (Rehab CBA & Sell FH)	0	0	480	$ 106,300,000	$ 10,500,000	Yes	Yes

*using calculas of 670 bed facility

EHXIBIT 6

BERKS HEIM

FINANCIAL STATEMENTS
UNAUDITED

DECEMBER 31, 2014

December financial statements subject to change due to extension of year-end A/P cutoff to February 13, 2015 and accruals and year-end adjustments recorded by Controllers department, including adjustments to fringe benefits, depreciation and bond-related matters

Facility Financial Report

To: Ed Balliet, RVP
From: Terence Brennan, NHA

Facility: BERKS HEIM NURSING and REHABILIATION
Month: December 2014

Financial Overview

Monthly Actual NOI:	$478,676.
Monthly Budget NOI:	$315,520.
Monthly Variance:	$163,156.
Monthly NOI/EBITDAR Margin:	10.31%
YTD Actual NOI:	$4,190,313.
YTD Budget NOI:	$3,097,571.
YTD Variance:	$1,092,742.
Year End Projected NOI:	$4,075,601.
Year End Budget NOI:	$3,097,571.
Room & Board Revenue Variance:	($47,227.)
Total Revenue Variance:	$108,960.
Total Operating Expense Variance:	$54,196.

Total census for the month was below budget by 40 days.

We had 22 Admissions in December with 17 CTB's, 5 discharges to home and 2 discharges to personal care for a total of 24.

Revenue does not include 11/1/14 P4P incentive payment, DHS (DPW) has not provided the info and breakdown yet.

Select Key Financial Statistics

Monthly Therapy Margin %:	57.56%
Days Sales Outstanding:	54 days
$AR > 90 Days:	$872,716.
$AR Allowance for Bad Debt:	$605,566.
%AP > 90 Days:	%
Days Cash on Hand:	.358 days

Facility Financial Report

CHR
Complete HealthCare Resources-Eastern, Inc.

Revenue Variances by Payor

Line Item Description	Variance to Budget	Explanation
Medicaid	$103,695.	Medicaid census 501 day above budget.
Medicare A and HMO	($65,503.)	Below budget by 168 days for the month.
Private Pay	($93,368.)	Below budget by 373 days for the month.
Rehab Part B	($20,234.)	Lower utilization than anticipated.
Other	$61,709	

Expense Variances by Line Item (notable + & (-) variances)

Line Item Description	Variance to Budget	Explanation
Nursing – Wages, VHS, ben, PR related	($29,933.)	Nursing staffing to meet needs of residents and restricted duty staff.
Nursing – Agency	$13,594.	Lower utilization of agency than anticipated.
Nursing – Other	($8,766.)	YTD under budget by $50,731.
Rehab – Part B	$24.004.	YTD under budget by $307,864.
Rehab – Medicare A and HMO	$17,098.	YTD under budget by $239,055.
Pharmacy – Medicare A and HMO	$6,991.	YTD under budget by $181,994.
Dietary – Food	$7,826.	December under budget due to year-end inventory adjustment.
Dietary – Wages, VHS, ben, PR related	$12,007.	Open positions and OT controls.
Utilities – Gas	($10,732.)	YTD over budget by $41,632.00
Utilities – Electric	$11,627.	YTD under budget by $35.107.00

Facility Financial Report

CHR
Complete HealthCare Resources-Eastern Inc.

Departmental Expenses PPD

	This Month	BUDGET*	+/-	Variance
Total Nursing Cost PPD:	$ 141.12	$ 138.38	-	$ (2.74)
Total Pharmacy Cost PPD:	$ 3.56	$ 3.99	+	$ .43
Dietary Raw Food PPD:	$ 4.87	$ 5.46	+	$ .59
Dietary Costs PPD:	$ 22.41	$ 24.04	+	$ 1.63
Housekeeping Costs PPD:	$ 11.71	$ 12.57	+	$ .86
Laundry Costs PPD:	$ 4.81	$ 4.35	-	$ (.46)
Maintenance Costs PPD:	$ 4.65	$ 4.53	-	$ (.12)

Comments:

Comments:

BERKS HEIM

STATISTICAL SUMMARY
FOR THE MONTH ENDED DECEMBER 31, 2014

1. Accounts Receivable Aging

Current	$ 2,530,459	45%
30 days	1,931,720	34%
60 days	167,506	3%
90 days	110,576	2%
120 days	872,716	16%
Total	$ 5,612,976	100%

Allowance for Bad Debt	$ 605,566
Percentage Reserved > 90 days	62%

3. Collections

	Prior Month Revenue	Cash Receipts	MTD Percent Collected	YTD Percent Collected	DRO
January	3,229,902	$ 3,433,891	106.32%	106.32%	57
February	3,236,181	3,091,858	95.54%	100.92%	54
March	2,920,730	3,360,065	115.04%	105.32%	56
April	3,292,074	2,787,757	84.68%	99.96%	53
May	3,105,397	3,284,637	105.77%	101.10%	54
June	3,196,040	2,954,926	92.46%	99.65%	55
July	3,108,036	3,369,553	108.41%	100.88%	55
August	3,276,778	3,139,513	95.81%	100.22%	55
September	3,212,431	3,283,243	102.20%	100.45%	53
October	3,125,277	5,087,863	162.80%	106.59%	37
November	3,282,174	1,309,797	39.91%	100.34%	54
December	3,057,519	3,438,723	112.47%	101.31%	54
Total	$ 38,042,540	$ 38,541,826			

2. Payroll Hours PPD

	Nursing	Budgeted Nursing	General Nursing	Total Nursing	Budgeted Total Nursing
January	3.35	3.22	0.18	3.53	3.38
February	3.26	3.22	0.17	3.43	3.38
March	3.35	3.22	0.18	3.52	3.38
April	3.42	3.22	0.17	3.59	3.38
May	3.38	3.22	0.19	3.57	3.38
June	3.26	3.22	0.17	3.43	3.38
July	3.24	3.22	0.15	3.39	3.38
August	3.36	3.22	0.19	3.55	3.38
September	3.47	3.22	0.18	3.64	3.38
October	3.36	3.22	0.17	3.52	3.38
November	3.50	3.22	0.18	3.69	3.38
December	3.31	3.22	0.15	3.46	3.38

4 Avaliable Cash

	YTD
NET INCOME (LOSS)	$2,219,175
ADD: DEPRECIATION & AMORT.	1,364,658
ADJUSTED NET INCOME (LOSS)	3,583,833
CAPITAL PURCHASES	473,173
AVAILABLE CASH	3,110,660

5. Therapy Margins

	Therapy Charges	Therapy Expense	Margin	Margin %
January	$ 312,573	$ 153,226	$ 159,347	50.98%
February	324,384	142,954	181,430	55.93%
March	352,529	154,298	198,231	56.23%
April	339,935	138,989	200,945	59.11%
May	304,991	120,295	184,696	60.56%
June	282,899	128,089	154,810	54.72%
July	314,347	132,793	181,554	57.76%
August	275,679	120,139	155,540	56.42%
September	283,308	136,110	147,197	51.96%
October	311,565	136,194	175,371	56.29%
November	271,265	119,898	151,367	55.80%
December	337,974	143,453	194,521	57.56%
Total	$ 3,711,447	$ 1,626,438	$ 2,085,009	56.18%

6. Operating Earnings

	Operating Revenue	EBITDAR	Operating Earnings %
January	$ 3,439,145	$ 183,744	5.34%
February	3,123,373	194,414	6.22%
March	3,783,624	649,073	17.15%
April	3,308,286	199,690	6.04%
May	3,399,578	278,342	8.19%
June	3,310,726	321,408	9.71%
July	3,465,334	337,485	9.74%
August	3,348,018	235,548	7.04%
September	3,321,677	245,521	7.39%
October	3,620,089	770,805	21.29%
November	3,298,048	295,607	8.96%
December	3,645,542	478,676	13.13%
Total	$ 41,063,440	$ 4,190,313	10.20%

7. Occupancy/Mix

	Occupancy Percent	Payor Mix Percentage Private	Medicare	Medicaid	Total
January	97.82%	15.26%	3.36%	81.05%	99.67%
February	98.63%	12.44%	4.87%	82.46%	99.77%
March	99.48%	13.85%	5.41%	80.04%	99.31%
April	98.81%	11.73%	5.16%	82.45%	99.34%
May	98.47%	11.85%	4.03%	83.28%	99.16%
June	98.75%	13.41%	3.91%	81.89%	99.21%
July	98.77%	13.34%	4.81%	81.12%	99.27%
August	97.57%	17.07%	3.81%	78.64%	99.52%
September	97.16%	13.77%	4.54%	81.42%	99.74%
October	98.11%	16.22%	5.32%	78.30%	99.84%
November	97.08%	9.71%	4.59%	85.17%	99.47%
December	98.26%	11.14%	5.29%	83.39%	99.82%
YTD	98.24%	13.33%	4.59%	81.58%	99.51%

BERKS HEIM

STATISTICAL SUMMARY
FOR THE MONTH ENDED DECEMBER 31, 2013

1. Accounts Receivable Aging

Current	$ 2,444,275	42%
30 days	1,879,593	32%
60 days	308,623	5%
90 days	190,344	3%
120 days	1,060,835	18%
Total	$ 5,883,670	100%

Allowance for Bad Debt	$ 534,779
Percentage Reserved > 90 days	43%

2. Payroll Hours PPD

	Nursing	Budgeted Nursing	General Nursing	Total Nursing	Budgeted Total Nursing
January	3.51	3.17	0.17	3.68	3.34
February	3.41	3.17	0.20	3.61	3.34
March	3.32	3.17	0.19	3.51	3.34
April	3.31	3.17	0.18	3.50	3.34
May	3.28	3.17	0.19	3.47	3.34
June	3.30	3.17	0.18	3.47	3.34
July	3.35	3.17	0.18	3.52	3.34
August	3.31	3.17	0.18	3.49	3.34
September	3.29	3.17	0.17	3.46	3.34
October	3.41	3.17	0.19	3.60	3.34
November	3.48	3.17	0.17	3.65	3.34
December	3.29	3.17	0.15	3.44	3.34

3. Collections

	Prior Month Revenue	Cash Receipts	MTD Percent Collected	YTD Percent Collected	DRO
January	3,229,902	$ 3,220,462	99.71%	99.71%	52
February	3,156,380	2,847,925	90.23%	95.02%	50
March	2,866,138	3,689,440	128.73%	105.46%	51
April	3,274,503	3,111,596	95.03%	102.73%	51
May	3,152,208	2,883,981	91.49%	100.47%	55
June	3,221,677	3,328,441	103.31%	100.96%	54
July	3,114,044	4,857,026	155.97%	108.74%	38
August	3,263,656	1,657,817	50.80%	101.26%	54
September	3,304,159	3,114,298	94.25%	100.45%	55
October	3,211,897	3,408,421	106.12%	101.02%	55
November	3,383,745	2,979,334	88.05%	99.77%	56
December	3,194,647	3,237,407	101.34%	99.90%	56
Total	$ 38,372,957	$ 38,336,149			

4 Available Cash

	YTD
NET INCOME (LOSS)	$1,647,715
ADD: DEPRECIATION & AMORT.	1,351,755
ADJUSTED NET INCOME (LOSS)	2,999,470
CAPITAL PURCHASES	155,936
AVAILABLE CASH	2,843,534

5. Therapy Margins

	Therapy Charges	Therapy Expense	Margin	Margin %
January	$ 325,782	$ 161,613	$ 164,169	50.39%
February	411,775	168,629	243,146	59.05%
March	461,135	185,782	275,353	59.71%
April	393,717	168,763	224,954	57.14%
May	364,851	174,577	190,274	52.15%
June	300,429	138,870	161,560	53.78%
July	349,060	148,153	200,907	57.56%
August	398,502	168,896	229,606	57.62%
September	388,836	164,506	224,330	57.69%
October	425,681	177,613	248,068	58.28%
November	362,544	155,831	206,713	57.02%
December	295,395	139,879	155,516	52.65%
Total	$ 4,477,707	$ 1,953,111	$ 2,524,596	56.38%

6. Operating Earnings

	Operating Revenue	EBITDAR	Operating Earnings %
January	$ 3,353,738	$ 211,160	6.30%
February	3,059,345	186,569	6.10%
March	3,468,589	297,605	8.58%
April	3,345,535	296,501	8.86%
May	3,414,603	340,194	9.96%
June	3,281,855	267,128	8.14%
July	3,452,675	346,180	10.03%
August	3,576,227	425,107	11.89%
September	3,401,150	351,099	10.32%
October	3,573,273	450,834	12.62%
November	3,384,121	311,604	9.21%
December	3,635,610	421,892	11.60%
Total	$ 40,946,721	$ 3,905,872	9.54%

7. Occupancy/Mix

	Occupancy Percent	Payor Mix Percentage Private	Medicare	Medicaid	Total
January	97.76%	13.65%	5.20%	81.13%	99.98%
February	95.31%	11.75%	7.36%	80.55%	99.66%
March	98.18%	13.04%	8.48%	77.82%	99.34%
April	98.61%	13.82%	7.20%	78.67%	99.69%
May	98.82%	15.65%	5.55%	78.38%	99.58%
June	99.40%	15.27%	5.33%	78.93%	99.53%
July	99.18%	14.44%	6.40%	78.36%	99.19%
August	98.82%	14.07%	6.61%	79.02%	99.70%
September	99.06%	15.13%	7.35%	76.73%	99.21%
October	98.62%	17.27%	6.96%	75.31%	99.55%
November	99.26%	14.05%	6.75%	78.62%	99.42%
December	98.60%	15.13%	3.74%	80.57%	99.45%
YTD	98.49%	14.47%	6.40%	78.66%	99.52%

BERKS HEIM
INCOME STATEMENT
FOR THE MONTH ENDED DECEMBER 31, 2014
COMPARISON OF ACTUAL TO BUDGET
****UNAUDITED****

MONTH ENDED DECEMBER 31, 2014						TWELVE MONTHS ENDED DECEMBER 31, 2014				
ACTUAL	BUDGET	FAV (UNFAV) VARIANCE	ACTUAL REVENUE PPD	BUDGET REVENUE PPD	TOTAL REVENUE	ACTUAL	BUDGET	FAV (UNFAV) VARIANCE	ACTUAL REVENUE PPD	BUDGET REVENUE PPD
$308,657	$362,844	($54,187)	$455.92	$450.18	MEDICARE	$3,199,495	$4,218,784	($1,019,289)	$462.56	$444.55
7,245	18,561	(11,316)	315.00	299.37	MEDICARE HMO	227,012	214,428	12,584	305.53	293.74
464,012	557,380	(93,368)	325.62	310.00	PRIVATE	6,310,336	6,562,700	(252,364)	314.23	310.00
2,346,443	2,242,748	103,695	219.93	220.57	MEDICAID	26,824,324	26,149,899	674,425	218.32	218.43
0	0	0	0.00	0.00	MEDICAID RATE ADJUSTMENT	38,725	0	38,725	0.32	0.00
190,722	182,773	7,949	17.88	17.98	IGT	2,312,512	2,193,276	119,236	18.82	18.32
0	0	0	0.00	0.00	INSURANCE & OTHER	0	0	0	0.00	0.00
3,317,079	3,364,306	(47,227)	259.27	262.14	**ROOM & BOARD SUBTOTAL**	38,912,404	39,339,087	(426,683)	258.37	260.33
0	0	0	0.00	0.00	PHARMACY	(240)	0	(240)	(0.00)	0.00
33,819	45,481	(11,662)	2.64	3.54	SPEECH THERAPY	432,406	535,498	(103,092)	2.87	3.54
50,044	44,444	5,600	3.91	3.46	PHYSICAL THERAPY	573,920	523,295	50,625	3.81	3.46
46,270	60,541	(14,271)	3.62	4.72	OCCUPATIONAL THERAPY	551,101	712,821	(161,720)	3.66	4.72
(8,949)	(9,048)	99	(0.70)	(0.71)	OTHER ANCILLARY REVENUE	(96,902)	(106,532)	9,630	(0.64)	(0.70)
121,184	141,418	(20,234)	9.47	11.02	**ANCILLARY SUBTOTAL**	1,460,285	1,665,082	(204,797)	9.70	11.02
207,280	30,858	176,422	16.20	2.40	OTHER REVENUE	690,751	370,296	320,455	4.59	2.45
3,645,542	3,536,582	108,960	284.94	275.56	TOTAL REVENUE	41,063,440	41,374,465	(311,025)	272.65	273.80

MONTH ENDED DECEMBER 31, 2014						TWELVE MONTHS ENDED DECEMBER 31, 2014				
ACTUAL	BUDGET	FAV (UNFAV) VARIANCE	ACTUAL COST PPD	BUDGET COST PPD	TOTAL OPERATING EXPENSES	ACTUAL	BUDGET	FAV (UNFAV) VARIANCE	ACTUAL COST PPD	BUDGET COST PPD
1,058,354	1,033,200	(25,154)	82.72	80.50	NURSING PAYROLL EXPENSE	12,581,042	12,122,470	(458,572)	83.54	80.22
10,739	24,333	13,594	0.84	1.90	NURSE AGENCY EXPENSE	213,111	291,996	78,885	1.42	1.93
193,650	184,003	(9,647)	15.14	14.34	NURSING VHS EXPENSE	1,845,619	2,208,036	362,418	12.25	14.61
499,897	504,765	4,868	39.07	39.33	NURSING PR RELATED EXPENSE	5,838,230	6,036,075	197,845	38.76	39.94
89,310	80,544	(8,766)	6.98	6.28	OTHER NURSING EXPENSE	902,888	953,619	50,731	5.99	6.31
81,882	105,886	24,004	6.40	8.25	THERAPY EXPENSE PART B	938,856	1,246,720	307,864	6.23	8.25
61,571	78,669	17,098	4.81	6.13	THERAPY EXPENSE OTHER	687,581	926,636	239,055	4.57	6.13
7,577	6,250	(1,327)	0.59	0.49	PHARMACY EXPENSE NON-BILLABLE	133,262	75,000	(58,262)	0.88	0.50
37,947	44,938	6,991	2.97	3.50	PHARMACY - MEDICARE/INSURANCE	347,113	529,107	181,994	2.30	3.50
12,488	12,734	246	0.98	0.99	BARBER & BEAUTY	149,462	151,275	1,813	0.99	1.00
68,221	70,270	2,049	5.33	5.48	ACTIVITIES/SOCIAL SERVICES	784,957	834,247	49,290	5.21	5.52
124,302	123,560	(742)	9.72	9.63	ADMINISTRATIVE EXPENSE	1,480,428	1,477,891	(2,537)	9.83	9.78
25,255	26,059	804	1.97	2.03	FINANICAL ADMINISTRATION	300,633	312,998	12,365	2.00	2.07
224,440	238,418	13,978	17.54	18.58	DIETARY EXPENSE	2,673,319	2,832,360	159,041	17.75	18.74
62,248	70,074	7,826	4.87	5.46	RAW FOOD EXPENSE	827,816	825,062	(2,754)	5.50	5.46
15,441	15,090	(351)	1.21	1.18	ADMISSIONS	130,504	179,114	48,610	0.87	1.19
9,932	10,000	68	0.78	0.78	HUMAN RESOURCES	119,888	118,565	(1,323)	0.80	0.78
59,439	58,184	(1,255)	4.65	4.53	MAINTENANCE EXPENSE	640,355	695,384	55,029	4.25	4.60
17,638	21,532	3,894	1.38	1.68	SECURITY	245,071	258,384	13,313	1.63	1.71
149,874	161,373	11,499	11.71	12.57	HOUSEKEEPING EXPENSE	1,744,797	1,917,951	173,154	11.59	12.69
61,598	55,868	(5,730)	4.81	4.35	LAUNDRY EXPENSE	667,734	663,513	(4,221)	4.43	4.39
16,315	16,615	300	1.28	1.29	BAD DEBTS	186,838	194,053	5,215	1.25	1.28
57,711	54,409	(3,302)	4.51	4.24	TELEPHONE & UTILITIES	757,001	744,348	(12,653)	5.03	4.93
16,407	19,806	3,399	1.28	1.54	PROPERTY & LIABILITY INS.	206,002	237,672	31,670	1.37	1.57
27,000	27,000	0	2.11	2.10	CONSULTING FEES	321,000	324,000	3,000	2.13	2.14
95,912	95,764	(148)	7.50	7.46	ASSESSMENT TAX EXPENSE	1,167,005	1,139,802	(27,203)	7.75	7.54
81,718	81,718	0	6.39	6.37	INDIRECT COST	980,616	980,616	0	6.51	6.49
3,166,866	3,221,062	54,196	247.53	250.98	TOTAL OPERATING EXPENSES	36,673,127	38,276,894	1,403,767	244.83	253.30
478,676	315,520	163,156	37.41	24.58	**EBITDA**	4,190,313	3,097,571	1,092,742	27.82	20.50
					OTHER INCOME/EXPENSE					
111,383	113,816	2,433	8.71	8.87	* DEPRECIATION & AMORTIZATION	1,364,658	1,365,792	1,134	9.06	9.04
52,175	74,796	22,621	4.08	5.83	INTEREST INCOME/EXPENSE	606,480	887,847	281,367	4.03	5.88
163,558	188,612	25,054	12.78	14.70	TOTAL OTHER INCOME/EXPENSE	1,971,138	2,253,639	282,501	13.09	14.91
$315,118	$126,908	$188,210	24.63	9.89	NET INCOME (LOSS)	$2,219,175	$843,932	$1,375,243	14.73	5.58
13.13%	8.92%	4.21%			CONTRIBUTION MARGIN %	10.20%	7.49%	2.71%		
12,794	12,834	(40)			PATIENT DAYS (SNF)	150,607	151,110	(503)		
98.26%	98.57%	-0.31%			OCCUPANCY % (SNF)	98.24%	98.57%	-0.33%		

BERKS HEIM
COMPARATIVE BALANCE SHEETS
FOR THE MONTH ENDED DECEMBER 31, 2014
****UNAUDITED****

ASSETS	12/31/13	3/31/14	6/30/14	9/30/14	10/31/14	11/30/14	12/31/14	
Current Assets								
Cash - Unrestricted	39,478	37,993	36,870	33,986	34,513	36,251	18,801	
Cash - Restricted - Resident Funds	318,821	284,667	305,942	295,823	299,820	303,884	288,804	
Cash - Restricted	562,236	561,246	559,156	551,889	551,666	551,038	555,869	
Accounts Receivable	6,030,551	6,198,045	5,762,358	5,527,664	3,926,346	5,700,457	5,697,483	
Allowance for Bad Debt	(534,779)	(544,332)	(592,362)	(571,193)	(587,808)	(595,824)	(605,566)	
Estimated Third Party receivables	521,299	207,073	20,443	337,598	423,883	282,113	80,779	(1)
Inventory	89,818	93,966	94,132	87,851	87,851	87,851	90,967	
Prepaid expenses	46,746	43,070	146,363	96,188	79,014	59,514	41,295	
Total Current Assets	7,388,484	6,954,793	6,405,965	6,432,870	4,888,348	6,498,347	6,241,496	
Property and Equipment								
Building & Improvements	37,742,670	37,742,670	37,742,670	37,742,670	37,742,670	37,742,670	37,742,670	
Fixed Equipment	3,784,618	3,784,618	3,809,393	3,845,025	3,845,025	3,845,025	3,845,025	
Equipment - Moveable	167,198	173,538	190,961	203,755	208,850	209,388	360,818	(2)
Transportation	109,986	109,986	109,986	109,986	109,986	109,986	109,986	
CIP	0	0	58,280	109,266	306,101	308,616	219,146	(2)
Total	41,804,472	41,810,812	41,911,289	42,010,701	42,212,631	42,215,685	42,277,645	
Accumulated Depreciation	(11,844,545)	(12,191,210)	(12,537,020)	(12,875,055)	(12,986,438)	(13,097,821)	(13,209,203)	
Property and Equipment, Net	29,959,927	29,619,602	29,374,269	29,135,646	29,226,194	29,117,864	29,068,441	
Other Assets								
Net Pension Asset	9,965,489	9,965,489	9,965,489	9,965,489	9,965,489	9,965,489	9,965,489	
Total Other Assets	9,965,489	9,965,489	9,965,489	9,965,489	9,965,489	9,965,489	9,965,489	
Total Assets	47,313,899	46,539,883	45,745,723	45,534,005	44,080,030	45,581,700	45,275,426	
LIABILITIES AND PARTNER'S EQUITY								
Current Liabilities								
Accounts Payable	763,734	952,038	921,824	853,645	1,236,530	1,022,561	1,024,190	
Accrued Payroll and Payroll Taxes	807,866	1,814,804	2,157,769	1,858,583	1,990,305	2,125,910	860,804	(3)
Deferred Revenue	1,245	778	38,229	59,312	59,312	59,312	3,610	
Due to/(from) Affiliates	18,395,467	15,746,830	14,797,936	14,454,082	11,731,454	14,295,573	15,070,215	
Resident Funds	318,821	284,667	305,942	295,823	299,820	303,884	288,804	
Accrued Expenses	529,886	563,316	502,443	510,461	581,505	558,988	533,409	
Accrued Interest	120,570	425,339	120,570	425,339	315,013	9,416	119,742	
Current Debt	760,009	760,009	760,009	760,009	760,009	760,009	675,543	
Bond Discounts	356,809	343,665	330,520	330,049	327,075	324,102	321,128	
Total Current Liabilities	22,054,408	20,891,445	19,935,243	19,547,304	17,301,023	19,459,756	18,897,446	
Long Term Liabilities								
Long-Term Debt	21,930,761	21,930,761	21,930,761	21,930,761	21,930,761	21,166,853	21,133,016	
Benefit Time	584,641	584,641	584,641	584,641	584,641	584,641	584,641	
Worker's Compensation	1,464,597	1,464,597	1,464,597	1,464,597	1,464,597	1,464,597	1,464,597	
Deferred Revenue	2,697,462	2,621,727	2,545,992	2,470,257	2,445,012	2,419,767	2,394,522	
Total Other Liabilities	26,677,462	26,601,727	26,525,992	26,450,256	26,425,011	25,635,858	25,576,776	
Equity								
Retained earnings (deficit)	(1,417,971)	(953,288)	(715,512)	(463,555)	353,996	486,086	801,204	
Total Equity	(1,417,971)	(953,288)	(715,512)	(463,555)	353,996	486,086	801,204	
Total Liabilities and Equity	47,313,899	46,539,883	45,745,723	45,534,005	44,080,030	45,581,700	45,275,426	

Comments:

(1) Decrease due to Medicaid Day One payment in December
(2) Increase/decrease due to rehab unit renovations placed in service in December
(3) Decrease due to payroll accrual for 1 day in current month

BERKS HEIM
STATEMENT OF CASH FLOWS
FOR THE MONTH ENDED DECEMBER 31, 2014
Unaudited

	12/31/14	Year to Date
Cash Flows From Operating Activities:		
Net Income (loss)	$315,118	$2,219,175
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and Amortization	111,383	1,364,658
Allowance For Doubtful Accounts	9,742	70,787
(Increase) Decrease in:		
Accounts Receivable	2,974	574,318
Estimated Third-Party Payor Settlements	201,333	440,520
Prepaid Expenses	18,219	5,451
Inventory	(3,115)	(1,149)
Increase (Decrease) in:		
Accounts Payable	1,629	260,456
Accrued Payroll and Payroll Taxes	(1,265,107)	52,938
Due To/From Affiliates	774,642	(3,325,253)
Deferred Revenue	(80,947)	(300,576)
Accrued Expenses/Interest	81,773	(32,986)
Total Adjustments to reconcile net income (loss) to net cash	(147,473)	(890,835)
Net Cash Provided by (Used in) Operating Activities	$167,645	$1,328,340
Cash Flows From Investing Activities:		
Purchase of Property and Equipment	(61,960)	(473,173)
(Increase) Decrease in Assets Limited as to Use	(4,832)	6,367
(Increase) Decrease in Other Intangible Costs	0	0
Net Cash Provided by (Used in) Investing Activities	($66,792)	($466,806)
Cash Flow From Financing Activities:		
Increase (Decrease) Short Term Debt	(84,466)	(84,466)
Increase (Decrease) Long Term Debt	(33,837)	(797,745)
Net Cash Provided By (Used in) Financing Activities	($118,303)	($882,211)
Net Increase (Decrease) in Cash	(17,450)	(20,677)
Cash, Beginning of Period	36,251	39,478
Cash, End of Period	$18,801	$18,801
Supplemental Disclosure Cash Flow Information,		
Cash Paid for Interest	$52,175	$606,480

BERKS HEIM
FOR THE MONTH ENDED DECEMBER 31, 2014
REVENUE AND EXPENSE VARIANCE EXPLANATIONS-ACTUAL VS. BUDGET
(Dollars in thousands)

Comparison to Budget

Summary

		Favorable (Unfavorable) to Budget
Revenue	$3,646	$109
Expense	3,167	54
EBITDAR	479	163
EBITDA	$479	$163

Explanation of material budget variances:

		Favorable (Unfavorable)
Revenues		
Room and board revenue		
- favorable Medicare rate due to higher acuity than budget	$4	
- favorable Private rate due to payor reclasses from prior months	22	
- unfavorable Medicaid rate due to higher bed hold than budgeted and prior month payor reclasses	(6)	
- unfavorable mix due primarily to 5.5 fewer Medicare residents than budgeted	(65)	
- unfavorable Occupancy due to 1.3 fewer total resident than budgeted	(10)	(55)
Medicaid Day One (IGT) revenue favorable to budget due to higher rate than expected		8
Therapy Revenue		
- Part B therapy utilization lower than budget. See related Part B expense.	(33)	
- favorable other ancillary revenue due to less Medicare Part B coinsurance not paid by Medicaid	2	
- Other due to higher Medicare HMO utilization compared to budget	12	(19)
Other Revenue		
- favorable due to Pay for Performance allocation budgeted monthly, but recorded when received per the county	95	
- favorable due to Laundry allocation budgeted monthly, but recorded at year end per the county	22	
- favorable due to CCAP Grant revenue for rehab therapy room renovation	59	176
Other		(1)
Total revenue variance		$109
Expenses		
Nursing and Agency combined:		
- unfavorable salaries	(25)	
- unfavorable VHS expense	(10)	
- favorable payroll related expense due to updated county allocation	5	
- favorable agency expense	14	(16)
Nursing Other		
- unfavorable nursing medical supplies due to higher incontinence supplies ($8K) and year end inventory adjustment ($5K)	(15)	
- favorable uniforms and oxygen	3	
- favorable other nursing	3	(9)
Therapy		
- favorable Part B Therapy due to lower utilization. See related Part B revenue	24	
- favorable Other therapy due to lower Medicare utilization	17	41
Pharmacy Medicare/Insurance is under budget due to lower utilization		7
Dietary		
- favorable salaries	8	
- favorable VHS expense	4	
- favorable payroll related expense due to updated county allocation	1	
- favorable dietary other	1	14
Raw Food expense under budget due to lower utilization		8
Security under budget due to contract services		4
Housekeeping		
- favorable salaries, VHS and related benefits due to open positions	6	
- favorable housekeeping other	4	10
Laundry		
- favorable salaries and related benefits due to open positions	(9)	
- favorable laundry other	4	(5)
		$54
EBITDA Variance		$163

BERKS HEIM
ROOM CHARGES ANALYSIS - ACTUAL TO BUDGET
FOR THE MONTH ENDED DECEMBER 31, 2014

Per Financials

	MONTH ENDED DECEMBER 31, 2014		
	Actual	Budget	Variance
Room Charges			
Medicare	$308,657	$362,844	($54,187)
Medicare HMO	7,245	18,561	(11,316)
Private	464,012	557,380	(93,368)
Medicaid	2,346,443	2,242,748	103,695
Insurance & Other	0	0	0
Total Room Charges	$3,126,357	$3,181,533	($55,176)

Room Charge Variance Analysis

	Rate Variance	Mix Variance	Occupancy Variance	Total Variance
Medicare	$3,886	($56,942)	($1,131)	($54,187)
Medicare HMO	359	(11,618)	(57)	(11,316)
Private	22,259	(113,893)	(1,734)	(93,368)
Medicaid	(6,828)	117,496	(6,973)	103,695
Insurance & Other	0	0	0	0
Total Room Charge Variance	$19,676	($64,957)	($9,895)	($55,176)

Variance Analysis Detail

	MONTH ENDED DECEMBER 31, 2014						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Actual	Budget	Variance Col. (1) - (2)	Actual Percent	Budgeted Percent	Actual at Budgeted % Days x (5)	Mix Variance (in Days) Col. (1) - (6)
Patient days							
Medicare	677	806	(129)	5.29%	6.28%	803	(126)
Medicare HMO	23	62	(39)	0.18%	0.48%	62	(39)
Private	1,425	1,798	(373)	11.14%	14.01%	1,792	(367)
Medicaid	10,669	10,168	501	83.39%	79.23%	10,136	533
Insurance & Other	0	0	0	0.00%	0.00%	0	0
Total Patient Days	12,794	12,834	(40)	100.00%	100.00%	12,794	0
Patient count							
Medicare	21.8	26.0	(4.2)				
Medicare HMO	0.7	2.0	(1.3)				
Private	46.0	58.0	(12.0)				
Medicaid	344.2	328.0	16.2				
Insurance & Other	0.0	0.0	0.0				
Total Patients	412.7	414.0	(1.3)				
Licensed Beds (SNF)	420	420	0				
Occupancy percentage (SNF)	98.26%	98.57%	-0.31%				
Per Diem							
Medicare	$455.92	$450.18	$5.74				
Medicare HMO	315.00	299.37	15.63				
Private	325.62	310.00	15.62				
Medicaid	219.93	220.57	(0.64)				
Insurance & Other	0.00	0.00	0.00				
Total Per Diem	$244.36	$247.90	($3.54)				

BERKS HEIM
ROOM CHARGES ANALYSIS - ACTUAL TO BUDGET
TWELVE MONTHS ENDED DECEMBER 31, 2014

Per Financials

	TWELVE MONTHS ENDED DECEMBER 31, 2014		
	Actual	Budget	Variance
Room Charges			
Medicare	$3,199,495	$4,218,784	($1,019,289)
Medicare HMO	227,012	214,428	12,584
Private	6,310,336	6,562,700	(252,364)
Medicaid	26,863,049	26,149,899	713,150
Insurance & Other	0	0	0
Total Room Charges	$36,599,892	$37,145,811	($545,919)

Room Charge Variance Analysis

	Rate Variance	Mix Variance	Occupancy Variance	Total Variance
Medicare	$124,575	($1,129,602)	($14,262)	($1,019,289)
Medicare HMO	8,760	4,406	(582)	12,584
Private	84,947	(315,580)	(21,731)	(252,364)
Medicaid	25,802	774,116	(86,768)	713,150
Insurance & Other	0	0	0	0
Total Room Charge Variance	$244,084	($666,660)	($123,343)	($545,919)

Variance Analysis Detail

	TWELVE MONTHS ENDED DECEMBER 31, 2014						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Actual	Budget	Variance Col. (1) - (2)	Actual Percent	Budgeted Percent	Actual at Budgeted % Days x (5)	Mix Variance (in Days) Col. (1) - (6)
Patient days							
Medicare	6,917	9,490	(2,573)	4.59%	6.28%	9,458	(2,541)
Medicare HMO	743	730	13	0.49%	0.48%	728	15
Private	20,082	21,170	(1,088)	13.33%	14.01%	21,100	(1,018)
Medicaid	122,865	119,720	3,145	81.58%	79.23%	119,321	3,544
Insurance & Other	0	0	0	0.00%	0.00%	0	0
Total Patient Days	150,607	151,110	(503)	100.00%	100.00%	150,607	0
Patient count							
Medicare	19.0	26.0	(7.0)				
Medicare HMO	2.0	2.0	0.0				
Private	55.0	58.0	(3.0)				
Medicaid	336.6	328.0	8.6				
Insurance & Other	0.0	0.0	0.0				
Total Patients	412.6	414.0	(1.4)				
Licensed Beds (SNF)	420	420	0				
Occupancy percentage (SNF)	98.24%	98.57%	-0.33%				
Per Diem							
Medicare	$462.56	$444.55	$18.01				
Medicare HMO	305.53	293.74	11.79				
Private	314.23	310.00	4.23				
Medicaid	218.64	218.43	0.21				
Insurance & Other	0.00	0.00	0.00				
Total Per Diem	$243.02	$245.82	($2.80)				

BERKS HEIM
INCOME STATEMENT TREND
FOR THE PERIOD JANUARY 2014 TO DECEMBER 2014
"UNAUDITED"

	Actual 1/31/14	Actual 2/28/14	Actual 3/31/14	Actual 4/30/14	Actual 5/31/14	Actual 6/30/14	Actual 7/31/14	Actual 8/31/14	Actual 9/30/14	Actual 10/31/14	Actual 11/30/14	Actual 12/31/14	YTD
TOTAL REVENUE													
MEDICARE	$203,684	$278,060	$344,297	$302,016	$228,916	$225,828	$286,939	$221,524	$245,551	$299,793	$254,230	$308,657	$3,199,495
MEDICARE HMO	12,192	9,399	28,350	21,733	32,770	30,770	30,010	18,073	10,080	5,915	20,475	7,245	227,012
PRIVATE	602,330	447,330	556,140	452,600	470,890	517,390	554,127	669,601	547,260	638,786	389,870	464,012	6,310,336
MEDICAID	2,255,331	2,064,406	2,236,426	2,215,659	2,333,314	2,207,924	2,258,602	2,206,600	2,191,485	2,211,752	2,296,382	2,346,443	26,824,324
IGT	194,696	194,696	194,696	194,696	194,696	194,696	180,217	180,217	180,217	180,217	232,744	190,722	2,312,512
ROOM & BOARD SUBTOTAL	3,268,233	2,993,892	3,359,909	3,186,705	3,260,586	3,176,609	3,348,620	3,296,014	3,174,594	3,336,462	3,193,701	3,317,079	38,912,404
PHARMACY	(30)	(90)	(60)	(60)	0	0	0	0	0	0	0	0	(240)
SPEECH THERAPY	52,720	36,400	39,045	35,291	37,095	26,487	28,683	38,749	38,255	34,380	29,483	33,819	432,406
PHYSICAL THERAPY	62,597	47,368	54,447	41,808	52,670	51,422	52,881	37,134	51,426	39,369	32,754	50,044	573,920
OCCUPATIONAL THERAPY	58,190	48,103	43,256	44,750	47,516	54,564	39,583	30,259	50,619	46,242	41,750	46,270	551,101
OTHER ANCILLARY REVENUE	(10,833)	(12,246)	(9,827)	(6,400)	(7,131)	(6,348)	(12,771)	(9,509)	(9,399)	5,936	(7,425)	(6,949)	(96,902)
ANCILLARY SUBTOTAL	162,644	121,535	126,861	113,389	130,150	126,124	108,375	96,633	130,900	125,929	96,562	121,184	1,460,285
OTHER REVENUE	8,268	7,947	296,854	8,193	8,842	7,993	8,340	(44,630)	16,183	157,698	7,784	207,280	690,751
TOTAL REVENUE	3,439,145	3,123,373	3,783,624	3,308,286	3,399,578	3,310,726	3,465,334	3,348,018	3,321,677	3,620,089	3,298,048	3,645,542	41,063,440
TOTAL OPERATING EXPENSES													
NURSING PAYROLL EXPENSE	1,085,083	963,463	1,072,040	1,052,063	1,088,271	1,008,677	1,028,475	1,054,387	1,053,479	1,059,448	1,057,301	1,058,354	12,581,042
NURSE AGENCY EXPENSE	15,759	12,820	22,559	13,190	17,488	21,797	17,947	27,319	16,655	19,812	17,025	10,739	213,111
NURSING VHS EXPENSE	192,133	127,479	132,434	143,314	145,775	153,562	183,651	166,379	143,375	138,275	125,593	193,650	1,845,619
NURSING PR RELATED EXPENSE	540,609	459,510	507,331	504,986	529,028	489,541	510,553	514,193	504,121	300,355	478,105	499,897	5,838,230
OTHER NURSING EXPENSE	64,222	70,779	72,201	78,088	82,668	70,004	73,815	74,090	83,048	74,885	69,777	89,310	902,888
THERAPY EXPENSE PART B	99,147	78,621	84,776	73,477	65,789	73,433	70,849	72,304	88,140	82,725	67,714	81,882	938,856
THERAPY EXPENSE OTHER	54,079	64,334	69,522	65,512	54,506	54,656	61,944	47,835	47,971	53,470	52,183	61,571	687,581
PHARMACY EXPENSE NON-BILLABLE	8,691	7,230	11,914	12,198	12,416	10,398	10,343	9,847	9,310	17,253	16,085	7,577	133,262
PHARMACY - MEDICARE/INSURANCE	24,924	32,681	28,043	28,740	34,171	21,233	24,338	27,441	32,514	35,226	19,856	37,947	347,113
BARBER & BEAUTY	12,462	11,159	13,226	14,443	11,851	13,195	11,386	13,506	11,582	12,743	11,421	12,488	149,462
ACTIVITIES/SOCIAL SERVICES	72,997	62,966	68,653	63,776	63,995	62,560	65,015	66,256	65,398	66,176	58,942	68,221	784,957
ADMINISTRATIVE EXPENSE	120,605	123,610	127,408	129,029	116,277	120,304	121,941	127,399	122,892	122,424	124,236	124,302	1,480,428
FINANICAL ADMINISTRATION	26,567	23,464	26,017	24,377	25,629	24,667	25,017	25,837	27,161	22,165	24,478	25,255	300,633
DIETARY EXPENSE	234,516	209,208	226,003	220,673	227,028	224,100	233,307	228,905	225,586	204,421	215,131	224,440	2,673,319
RAW FOOD EXPENSE	73,488	65,147	67,940	79,007	69,208	63,143	64,145	74,991	61,934	76,113	70,453	62,248	827,816
ADMISSIONS	10,951	10,915	11,217	10,612	11,914	11,085	10,476	2,261	8,828	9,365	17,440	15,441	130,504
HUMAN RESOURCES	10,004	12,567	9,455	9,742	10,084	9,732	10,108	10,004	9,742	8,837	9,683	9,932	119,888
MAINTENANCE EXPENSE	53,537	56,714	45,070	57,164	56,986	45,313	73,126	52,358	47,030	46,875	46,743	59,439	640,355
SECURITY	17,868	18,307	22,777	19,850	19,643	18,864	23,881	23,419	20,894	18,102	23,828	17,638	245,071
HOUSEKEEPING EXPENSE	161,957	129,806	147,213	146,429	147,994	141,020	154,645	141,281	147,816	131,652	145,109	149,874	1,744,797
LAUNDRY EXPENSE	61,393	57,282	54,536	56,009	49,371	53,805	56,643	55,960	52,697	51,112	57,312	61,598	667,734
BAD DEBTS	15,962	14,279	15,962	15,434	15,862	15,434	16,182	16,082	15,647	16,100	15,579	16,315	188,838
TELEPHONE & UTILITIES	75,130	90,303	70,896	67,471	41,794	59,544	59,385	59,717	57,160	60,541	57,350	57,711	757,001
PROPERTY & LIABILITY INS.	18,372	18,372	19,098	16,167	16,646	16,407	16,407	16,407	18,907	16,407	16,407	16,407	206,002
CONSULTING FEES	24,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	321,000
ASSESSMENT TAX EXPENSE	99,227	99,227	99,543	98,126	98,126	98,127	95,553	95,553	95,553	96,085	95,973	95,912	1,167,005
INDIRECT COST	81,718	81,718	81,718	81,718	81,718	81,718	81,718	81,718	81,718	81,718	81,718	81,718	980,616
TOTAL OPERATING EXPENSES	3,255,401	2,928,959	3,134,551	3,108,596	3,121,235	2,989,318	3,127,849	3,112,470	3,076,156	2,849,284	3,002,441	3,166,866	36,873,127
EBITDA	183,744	194,414	649,073	199,690	278,342	321,408	337,485	235,548	245,521	770,805	295,607	478,676	4,190,313
OTHER INCOME/EXPENSE													
DEPRECIATION & AMORTIZATION	115,270	116,125	115,270	115,270	115,270	115,270	115,270	111,383	111,383	111,383	111,383	111,383	1,364,658
INTEREST INCOME/EXPENSE	71,963	71,963	71,958	71,961	71,933	71,960	71,963	83,228	73,371	(158,129)	52,135	52,175	606,480
TOTAL OTHER INCOME/EXPENSE	187,233	188,088	187,228	187,231	187,203	187,230	187,233	194,611	184,754	(46,747)	163,518	163,558	1,971,138
NET INCOME (LOSS)	($3,489)	$6,326	-$461,846	$12,460	$91,139	$134,177	$150,253	$40,937	$60,767	$817,552	$132,090	$315,118	$2,219,175
CONTRIBUTION MARGIN %	5.34%	6.22%	17.15%	6.04%	8.19%	9.71%	9.74%	7.04%	7.39%	21.29%	8.96%	13.13%	10.20%
PATIENT DAYS (SNF)	12,736	11,599	12,952	12,450	12,821	12,443	12,860	12,704	12,242	12,774	12,232	12,794	150,607
OCCUPANCY % (SNF)	97.82%	98.63%	99.48%	98.81%	98.47%	98.75%	98.77%	97.57%	97.16%	98.11%	97.08%	98.26%	98.24%
CENSUS:													
MEDICARE	428	565	701	643	517	487	619	484	556	679	561	677	6,917
MEDICARE HMO	42	27	90	82	108	98	94	61	32	21	65	23	743
PRIVATE	1,943	1,443	1,794	1,460	1,519	1,669	1,715	2,168	1,686	2,072	1,188	1,425	20,082
MEDICAID	10,323	9,564	10,367	10,265	10,677	10,189	10,432	9,991	9,968	10,002	10,418	10,669	122,865
INSURANCE & OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL CENSUS	12,736	11,599	12,952	12,450	12,821	12,443	12,860	12,704	12,242	12,774	12,232	12,794	150,607
# OF RESIDENTS													
MEDICARE	14	20	23	21	17	16	20	16	19	22	19	22	19
MEDICARE HMO	1	1	3	3	3	3	3	2	1	1	2	1	2
PRIVATE	63	52	58	49	49	56	55	70	56	67	40	46	55
MEDICAID	333	342	334	342	344	340	337	322	332	323	347	344	337
INSURANCE & OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0
	411	414	418	415	414	415	415	410	408	412	408	413	413

BERKS HEIM
INCOME STATEMENT TREND (PPD)
MONTH ENDED DECEMBER 31, 2014
****UNAUDITED****

	Actual 1/31/14	Actual 2/28/14	Actual 3/31/14	Actual 4/30/14	Actual 5/31/14	Actual 6/30/14	Actual 7/31/14	Actual 8/31/14	Actual 9/30/14	Actual 10/31/14	Actual 11/30/14	Actual 12/31/14	YTD
TOTAL REVENUE													
MEDICARE	$475.90	$492.14	$491.15	$469.70	$442.78	$463.71	$463.55	$457.69	$441.64	$441.52	$453.17	$455.92	$462.56
MEDICARE HMO	290.29	348.11	315.00	265.04	303.43	313.98	319.26	296.27	315.00	281.67	315.00	315.00	305.53
PRIVATE	310.00	310.00	310.00	310.00	310.00	310.00	323.11	308.86	324.59	308.29	328.17	325.62	314.23
MEDICAID	218.48	215.85	215.73	215.85	218.54	216.70	216.51	220.86	219.85	221.13	220.42	219.93	218.32
IGT	18.86	20.36	18.78	18.97	18.24	19.11	17.28	18.04	18.08	18.02	22.34	17.88	15.35
ROOM & BOARD SUBTOTAL	256.61	258.12	259.41	255.96	254.32	255.29	260.39	259.45	259.32	261.19	261.09	259.27	258.37
SPEECH THERAPY	4.14	3.31	3.01	2.83	2.89	2.13	2.23	3.05	3.12	2.69	2.41	2.64	2.87
PHYSICAL THERAPY	4.91	4.08	4.20	3.36	4.11	4.13	4.11	2.92	4.20	3.08	2.68	3.91	3.81
OCCUPATIONAL THERAPY	4.57	4.15	3.34	3.59	3.71	4.39	3.08	2.38	4.13	3.62	3.41	3.62	3.66
OTHER ANCILLARY REVENUE	(0.85)	(1.06)	(0.76)	(0.67)	(0.56)	(0.51)	(0.99)	(0.75)	(0.77)	0.46	(0.61)	(0.70)	(0.64)
ANCILLARY SUBTOTAL	12.77	10.48	9.79	9.11	10.15	10.14	8.43	7.61	10.69	9.86	7.89	9.47	9.70
OTHER REVENUE	0.65	0.69	22.92	0.66	0.69	0.64	0.65	(3.51)	1.32	12.35	0.64	16.20	4.59
TOTAL REVENUE	270.03	269.28	292.13	265.73	265.16	266.07	269.47	263.54	271.33	283.40	269.62	284.94	272.65
TOTAL OPERATING EXPENSES													
NURSING PAYROLL EXPENSE	85.20	83.06	82.77	84.50	84.88	81.06	79.97	83.00	86.05	82.94	86.44	82.72	83.54
NURSE AGENCY EXPENSE	1.24	1.11	1.74	1.06	1.36	1.75	1.40	2.15	1.36	1.55	1.39	0.84	1.42
NURSING VHS EXPENSE	15.09	10.99	10.22	11.51	11.37	12.34	14.28	13.10	11.71	10.82	10.27	15.14	12.25
NURSING PR RELATED EXPENSE	42.45	39.62	39.17	40.56	41.26	39.34	39.70	40.47	41.18	23.51	39.09	39.07	38.76
OTHER NURSING EXPENSE	5.04	6.10	5.57	6.27	6.45	5.63	5.74	5.83	6.78	5.86	5.70	6.98	5.99
THERAPY EXPENSE PART B	7.78	6.78	6.55	5.90	5.13	5.90	5.51	5.69	7.20	6.48	5.54	6.40	6.23
THERAPY EXPENSE OTHER	4.25	5.55	5.37	5.26	4.25	4.39	4.82	3.77	3.92	4.19	4.27	4.81	4.57
PHARMACY EXPENSE NON-BILLABLE	0.68	0.62	0.92	0.98	0.97	0.84	0.80	0.78	0.76	1.35	1.32	0.59	0.88
PHARMACY - MEDICARE/INSURANCE	1.96	2.82	2.17	2.31	2.67	1.71	1.89	2.16	2.66	2.76	1.62	2.97	2.30
BARBER & BEAUTY	0.98	0.96	1.02	1.16	0.92	1.06	0.89	1.06	0.95	1.00	0.93	0.98	0.99
ACTIVITIES/SOCIAL SERVICES	5.73	5.43	5.30	5.12	4.99	5.03	5.06	5.22	5.34	5.18	4.82	5.33	5.21
ADMINISTRATIVE EXPENSE	9.47	10.66	9.84	10.36	9.07	9.67	9.48	10.03	10.04	9.58	10.16	9.72	9.83
FINANICAL ADMINISTRATION	2.09	2.02	2.01	1.96	2.00	1.98	1.95	2.03	2.22	1.74	2.00	1.97	2.00
DIETARY EXPENSE	18.41	18.04	17.45	17.72	17.71	18.01	18.14	18.02	18.43	16.00	17.59	17.54	17.75
RAW FOOD EXPENSE	5.77	5.62	5.25	6.35	5.40	5.07	4.99	5.90	5.06	5.96	5.76	4.87	5.50
ADMISSIONS	0.86	0.94	0.87	0.85	0.93	0.89	0.81	0.18	0.72	0.73	1.43	1.21	0.87
HUMAN RESOURCES	0.79	1.08	0.73	0.78	0.79	0.78	0.79	0.79	0.80	0.69	0.79	0.78	0.80
MAINTENANCE EXPENSE	4.20	4.89	3.48	4.59	4.44	3.64	5.69	4.12	3.84	3.67	3.82	4.65	4.25
SECURITY	1.40	1.58	1.76	1.59	1.53	1.52	1.86	1.84	1.71	1.42	1.95	1.38	1.63
HOUSEKEEPING EXPENSE	12.72	11.19	11.37	11.76	11.54	11.33	12.03	11.12	12.07	10.31	11.86	11.71	11.59
LAUNDRY EXPENSE	4.82	4.94	4.21	4.50	3.85	4.32	4.40	4.41	4.30	4.00	4.69	4.81	4.43
BAD DEBTS	1.25	1.23	1.23	1.24	1.24	1.24	1.26	1.27	1.28	1.26	1.27	1.28	1.25
TELEPHONE & UTILITIES	5.90	7.79	5.47	5.42	3.26	4.79	4.62	4.70	4.67	4.74	4.69	4.51	5.03
PROPERTY & LIABILITY INS.	1.44	1.58	1.47	1.30	1.30	1.32	1.28	1.29	1.54	1.28	1.34	1.28	1.37
CONSULTING FEES	1.88	2.33	2.08	2.17	2.11	2.17	2.10	2.13	2.21	2.11	2.21	2.11	2.13
ASSESSMENT TAX EXPENSE	7.79	8.55	7.69	7.88	7.65	7.89	7.43	7.52	7.81	7.52	7.85	7.50	7.75
INDIRECT COST	6.42	7.05	6.31	6.56	6.37	6.57	6.35	6.43	6.68	6.40	6.68	6.39	6.51
TOTAL OPERATING EXPENSES	255.61	252.52	242.01	249.69	243.45	240.24	243.22	245.00	251.28	223.05	245.46	247.53	244.83
EBITDA	14.43	16.76	50.11	16.04	21.71	25.83	26.24	18.54	20.06	60.34	24.17	37.41	27.82
OTHER INCOME/EXPENSE													
DEPRECIATION & AMORTIZATION	9.05	10.01	8.90	9.26	8.99	9.26	8.96	8.77	9.10	8.72	9.11	8.71	9.06
INTEREST INCOME/EXPENSE	5.65	6.20	5.56	5.78	5.61	5.78	5.60	6.55	5.99	(12.38)	4.26	4.08	4.03
TOTAL OTHER INCOME/EXPENSE	14.70	16.22	14.46	15.04	14.60	15.05	14.56	15.32	15.09	(3.66)	13.37	12.78	13.09
NET INCOME (LOSS)	(0.27)	0.55	35.66	1.00	7.11	10.78	11.68	3.22	4.96	64.00	10.80	24.63	14.73
CONTRIBUTION MARGIN %	5.34%	6.22%	17.15%	6.04%	8.19%	9.71%	9.74%	7.04%	7.39%	21.29%	8.96%	13.13%	10.20%
PATIENT DAYS (SNF)	12,736	11,599	12,952	12,450	12,821	12,443	12,860	12,704	12,242	12,774	12,232	12,794	150,607
OCCUPANCY % (SNF)	97.82%	98.63%	99.48%	98.81%	98.47%	98.75%	98.77%	97.57%	97.16%	98.11%	97.08%	98.26%	98.24%
CENSUS:													
MEDICARE	428	565	701	643	517	487	619	484	556	679	561	677	6,917
MEDICARE HMO	42	27	90	82	108	98	94	61	32	21	65	23	743
PRIVATE	1,943	1,443	1,794	1,460	1,519	1,669	1,715	2,168	1,686	2,072	1,188	1,425	20,082
MEDICAID	10,323	9,564	10,367	10,265	10,677	10,189	10,432	9,991	9,968	10,002	10,418	10,669	122,865
INSURANCE & OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL CENSUS	12,736	11,599	12,952	12,450	12,821	12,443	12,860	12,704	12,242	12,774	12,232	12,794	150,607

BERKS HEIM
FOR THE MONTH ENDED DECEMBER 31, 2014
Revenue and Expense Variance Explanations-Current Month vs. Prior Month
(Dollars in thousands)

Comparison to Prior Month
Summary

		Increase (Decrease) to Prior Month
Revenue	$3,646	$347
Expense	3,167	164
EBITDA	$479	$183

Explanation of material variances:

		Increase (Decrease)
Revenues		
Room and Board revenue		
- favorable calendar day variance due to 1 more calendar day in December	$99	
- favorable Medicare rate due to higher acuity	2	
- unfavorable Private rate due to prior months billing adjustments	(4)	
- unfavorable Medicaid rate due prior months payor reclasses and higher bed hold	(5)	
- favorable occupancy variance due to 4.9 more total residents than prior month	37	
- favorable mix variance	36	165
Medicaid Day One Revenue (IGT)		
- unfavorable variance due to adjustment for prior months ($40K) in November		(42)
Therapy		
- Part B revenue increased due to higher utilization, see Part B expense	20	
- unfavorable other ancillary revenue due to more Medicare Part B coinsurance not paid by Medicaid	(1)	19
Other therapy revenue increased due to higher Medicare HMO utilization		6
Other revenue		
- favorable due to year to date Laundry allocation , but recorded at year end per the county	25	
- favorable due to CCAP Grant revenue for rehab therapy room renovation	60	
- favorable due to Pay for Perfocmance revenue for 11/1/14 picture date	114	199
Total revenue variance		$347
Expenses		
Nursing and Agency		
- decreased salaries	(2)	
- increased VHS due to Christmas holiday bonuses for working extra shifts	68	
- increased payroll related expense due higher VHS expense	22	
- decreased Agency	(6)	82
Nursing Other		
- increase in nursing medical supplies due to higher incontinence supplies ($8K) and year end inventory adjustment ($5K)	16	
- increase in nursing other	3	19
Therapy		
- increased Part B Therapy due to lower utilization	14	
- increased Therapy Other due to lower utilization	9	23
Pharmacy Non Billable decreased due to lower utilization		(9)
Pharmacy Medicare/Insurance increased due to higher utilization		18
Activities and social services increased due to payroll and related benefits		9
Dietary		
- decreased salaries, VHS and payroll related expense	6	
- increased minor equipment	2	
- increased dietary other	1	9

BERKS HEIM
FOR THE MONTH ENDED DECEMBER 31, 2014
Revenue and Expense Variance Explanations-Current Month vs. Prior Month
(Dollars in thousands)

Raw Food expense decreased due primarily to year end inventory adjustment		(8)
Maintenance		
- increased salaries, VHS and payroll related expense	5	
- increased supplies due to year end inventory adjustment	4	
- increased maintenance other	3	12
Security expense decreased due to contract services		(6)
Housekeeping		
- increased salaries, VHS and payroll related expense	6	
- decreased other	(1)	5
Laundry		
- increased salaries, VHS and payroll related expense	5	
- decreased other	(1)	4
Other expenses increased		4
Total expense variance		$162
EBITDA Variance		$185

***Unfavorable payroll related expense for all departments of $235K due to year to date adjustment to county fringe benefits in October**

BERKS HEIM

ANCILLARY - GROSS MARGIN ANALYSIS TREND
FOR THE MONTH ENDED DECEMBER 31, 2014

GROSS CHARGES	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov	Dec	Year to Date
Speech Therapy	71,317	61,546	74,492	69,277	66,247	58,228	64,953	68,835	68,507	68,139	60,325	69,303	$801,169
Physical Therapy	127,620	134,121	142,161	133,384	118,584	113,758	127,655	103,345	100,408	113,890	101,013	135,658	1,451,598
Occupational Therapy	123,335	139,822	144,982	145,946	127,114	117,896	133,813	111,709	123,163	142,431	116,932	140,436	1,567,578
Total Gross Charges	322,272	335,489	361,635	348,606	311,944	289,882	326,422	283,889	292,078	324,461	278,270	345,397	3,820,345
Budget	287,370	259,559	287,370	278,100	287,370	278,100	287,370	287,370	278,100	287,370	278,100	287,370	3,383,549
EXPENSES													
Speech Therapy	40,773	32,982	35,096	30,933	31,714	25,045	26,999	33,869	33,187	32,225	28,471	30,181	381,474
Physical Therapy	56,863	54,850	61,740	52,689	45,282	50,347	55,220	43,535	48,573	47,115	42,639	57,353	616,207
Occupational Therapy	55,591	55,122	57,462	55,367	43,298	52,697	50,574	42,735	54,350	56,854	48,787	55,919	628,757
Total Expenses	153,226	142,954	154,298	138,989	120,295	128,089	132,793	120,139	136,110	136,194	119,898	143,453	1,626,438
Budget	184,555	166,851	184,555	178,655	184,555	178,655	184,555	184,555	178,655	184,555	178,655	184,555	2,173,356
MARGIN %													
(Gross Chgs - Expenses)/Gross Charges)													
Speech Therapy	42.83%	46.41%	52.89%	55.35%	52.13%	56.99%	58.43%	50.80%	51.56%	52.71%	52.80%	56.45%	52.39%
Physical Therapy	55.44%	59.10%	56.57%	60.50%	61.81%	55.74%	56.74%	57.87%	51.62%	58.63%	57.79%	57.72%	57.55%
Occupational Therapy	54.93%	60.58%	60.37%	62.06%	65.94%	55.30%	62.21%	61.74%	55.87%	60.08%	58.28%	60.18%	59.89%
Margin %	52.45%	57.39%	57.33%	60.13%	61.44%	55.81%	59.32%	57.68%	53.40%	58.02%	56.91%	58.47%	57.43%
Budget	35.78%	35.72%	35.78%	35.76%	35.78%	35.76%	35.78%	35.78%	35.76%	35.78%	35.76%	35.78%	35.77%

BERKS HEIM
PAYROLL DOLLAR - ACTUAL VS BUDGET
FOR THE MONTH ENDED DECEMBER 31, 2014

	Current Month			Year to Date		
	Actual	Budget	Fav (Unfav) Variance	Actual	Budget	Fav (Unfav) Variance
Cert Nsg Exp>Wages>RN	$215,545	$183,157	($32,388)	$2,601,023	$2,146,747	($454,276)
Cert Nsg Exp>Wages>LPN/LVN	268,533	245,658	(22,875)	3,249,096	2,871,819	(377,277)
Cert Nsg Exp>Wages>Aides	482,664	505,389	22,525	5,483,336	5,938,628	455,292
Cert Nsg Exp>Agency>LPN	1,103	3,000	1,897	17,952	36,000	18,048
Cert Nsg Exp>Agency>Aides	9,636	21,333	11,697	195,159	255,996	60,837
Nursing	$977,682	$958,537	($19,145)	$11,546,566	$11,249,190	($297,376)
Gen Nsg Exp>Wages>DON	5,928	6,309	381	71,162	74,281	3,119
Gen Nsg Exp>Wages>ADON	5,320	5,920	600	66,867	69,703	2,836
Gen Nsg Exp>Wages>Supervisor	2,939	5,746	2,807	50,516	67,656	17,140
Gen Nsg Exp>Wages>MDS Review	24,524	21,931	(2,593)	286,742	258,215	(28,527)
Gen Nsg Exp>Wages>Administrative Support	1,277	2,433	1,156	26,912	28,649	1,737
Gen Nsg Exp>Wages>Scheduling	3,915	4,316	401	85,189	50,813	(34,376)
Nursing General	$43,903	$46,655	$2,752	$587,387	$549,317	($38,070)
Staff Develop Exp>Wages>Supervisor	2,313	4,442	2,129	46,767	52,302	5,535
Staff Develop Exp>Wages>RN	13,873	13,316	(557)	173,541	156,671	(16,870)
Staff Develop Exp>Wages>LPN/LVN	(270)	0	270	631	0	(631)
Staff Development	$15,916	$17,758	$1,842	$220,939	$208,973	($11,966)
Subtotal Nursing Wages	$1,050,261	$1,035,100	($15,161)	$12,516,114	$12,150,332	($365,782)
Ancillary Exp>Wages	6,828	7,713	885	92,249	90,814	(1,435)
Physician Services Exp>Wages	2,174	2,123	(51)	25,597	24,999	(598)
Medical Services Exp>Wages	9,831	12,597	2,766	160,193	148,321	(11,872)
Barber & Beauty Exp>Wages	4,764	6,303	1,539	74,933	74,214	(719)
Activity Exp>Wages	19,636	24,700	5,064	268,628	291,186	22,558
Social Services Exp>Wages	12,307	13,900	1,593	167,710	163,658	(4,052)
Dietary Exp>Wages	95,740	103,819	8,079	1,159,263	1,222,091	62,828
Admin Exp>Wages	11,884	14,950	3,066	169,673	175,866	6,193
Admissions Exp>Wages	6,630	8,077	1,447	70,248	95,098	24,850
Human Resources Exp>Wages	5,000	5,917	917	68,207	69,668	1,461
Financial Admin Exp>Wages	12,977	15,697	2,720	181,424	184,821	3,397
Maintenance Exp>Wages	20,488	24,620	4,132	265,649	290,029	24,380
Housekeeping Exp>Wages	59,204	68,811	9,607	727,197	810,019	82,822
Laundry Exp>Wages	30,218	27,666	(2,552)	347,887	325,579	(22,308)
Subtotal Non-Nursing Wages	$297,679	$336,893	$39,214	$3,778,857	$3,966,363	$187,506
Total Nursing & Non-Nursing Wages	$1,347,941	$1,371,993	$24,052	$16,294,972	$16,116,695	($178,277)
Nursing Exp>Wages-V,H,S	163,171	164,152	981	1,585,004	1,969,824	384,820
Gen Nsg Exp>Wages-V,H,S	13,663	10,528	(3,135)	129,294	126,336	(2,958)
Ancillary Exp>Wages>V,H,S	2,885	1,953	(932)	19,223	23,436	4,213
Staff Develop Exp>Wages-V,H,S	2,699	2,338	(361)	41,368	28,056	(13,312)
Medical Services Exp>Wages-V,H.S	5,767	3,009	(2,758)	31,160	36,108	4,948
Barber & Beauty>Wages>V,H,S	2,704	1,065	(1,639)	14,539	12,780	(1,759)
Activity>Wages>V,H,S	7,961	4,523	(3,438)	46,231	54,276	8,045
Social Services>Wages>V,H,S	3,913	2,198	(1,715)	24,501	26,376	1,875
Dietary Exp>Wages-V,H,S	14,775	14,072	(703)	159,640	168,864	9,224
Admin>Wages-V,H,S	6,187	2,144	(4,043)	30,548	25,728	(4,820)
Admissions>Wages-V,H,S	3,246	848	(2,398)	14,214	10,176	(4,038)
Human Resources>Wages-V,H,S	2,009	1,068	(941)	16,522	12,816	(3,706)
Financial Admin Exp>Wages-V,H,S	4,886	2,103	(2,783)	30,556	25,236	(5,320)
Maint>Wages-V,H,S	7,891	3,511	(4,380)	35,656	42,132	6,476
Housekeeping Exp>Wages-V,H,S	16,615	10,863	(5,752)	134,451	130,356	(4,095)
Laundry Exp>Wages-V,H,S	8,141	4,373	(3,768)	61,646	52,476	(9,170)
Subtotal Replacement V,H & S	$271,978	$230,771	($41,207)	$2,414,124	$2,769,252	$355,128
Total Payroll Expense (excluding Agency)	$1,609,179	$1,578,431	($30,748)	$18,495,984	$18,593,951	$97,967
Patient Days	12,794	12,834	(40)	150,607	151,110	(503)
Employee Benefits	$522,003	$534,122	$12,119	$6,063,902	$6,409,464	$345,563
Employee Benefits Expense as a % of Salaries	32.44%	33.84%	1.40%	32.78%	34.47%	1.69%
Worker's Compensation	$69,769	$69,672	($97)	$838,027	$836,064	($1,963)
Worker's Compensation Expense as a % of Salaries	4.34%	4.41%	0.08%	4.53%	4.50%	-0.03%
Payroll Tax Expense	$121,865	$120,750	($1,115)	$1,420,973	$1,422,438	$1,465
Payroll Tax Expense as a % of Salaries	7.57%	7.65%	0.08%	7.68%	7.65%	-0.03%

BERKS HEIM
PAYROLL HOURS PPD TREND
FOR THE MONTH ENDED DECEMBER 31, 2014

	1/31/14	2/28/14	3/31/14	4/30/14	5/31/14	6/30/14	7/31/14	8/31/14	9/30/14	10/31/14	11/30/14	12/31/14
Cert Nsg Exp>Wages>RN	0.49	0.47	0.46	0.45	0.49	0.47	0.47	0.44	0.51	0.48	0.47	0.45
Cert Nsg Exp>Wages>LPN/LVN	0.73	0.72	0.74	0.81	0.74	0.75	0.73	0.74	0.77	0.74	0.79	0.72
Cert Nsg Exp>Wages>Aides	2.09	2.02	2.07	2.11	2.08	1.96	1.97	2.08	2.13	2.07	2.18	2.11
Cert Nsg Exp>Agency>LPN	0.01	0.00	0.01	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00
Cert Nsg Exp>Agency>Aides	0.04	0.05	0.07	0.05	0.06	0.08	0.07	0.09	0.06	0.07	0.07	0.03
Nursing	3.35	3.26	3.35	3.42	3.38	3.26	3.24	3.36	3.47	3.36	3.50	3.31
Gen Nsg Exp>Wages>DON	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Gen Nsg Exp>Wages>ADON	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Gen Nsg Exp>Wages>Supervisor	0.01	(0.00)	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Gen Nsg Exp>Wages>MDS Review	0.07	0.07	0.07	0.06	0.07	0.06	0.06	0.06	0.07	0.07	0.07	0.07
Gen Nsg Exp>Wages>Administrative Support	0.01	0.01	0.01	0.01	0.01	0.01	0.00	0.02	0.01	0.01	0.01	0.01
Gen Nsg Exp>Wages>Scheduling	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.04	0.03	0.03	0.02
Nursing General	0.15	0.14	0.14	0.14	0.16	0.14	0.12	0.15	0.15	0.14	0.14	0.12
Staff Develop Exp>Wages>Supervisor	0.01	0.01	(0.00)	0.00	0.01	0.01	0.01	0.02	0.01	0.01	0.01	0.01
Staff Develop Exp>Wages>RN	0.04	0.03	0.04	0.04	0.04	0.03	0.03	0.03	0.04	0.04	0.02	0.03
Staff Development	0.05	0.04	0.04	0.04	0.05	0.04	0.04	0.05	0.05	0.05	0.04	0.03
Subtotal Nursing Wages	3.53	3.43	3.52	3.59	3.57	3.43	3.39	3.55	3.64	3.52	3.69	3.46
Ancillary Exp>Wages	0.03	0.03	0.04	0.03	0.04	0.03	0.03	0.04	0.03	0.03	0.04	0.03
Physician Services Exp>Wages	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Medical Services Exp>Wages	0.07	0.07	0.06	0.05	0.06	0.05	0.05	0.06	0.06	0.05	0.06	0.04
Barber & Beauty Exp>Wages	0.03	0.03	0.04	0.03	0.04	0.03	0.03	0.03	0.04	0.04	0.04	0.03
Activity Exp>Wages	0.11	0.10	0.12	0.10	0.11	0.10	0.08	0.11	0.12	0.12	0.11	0.10
Social Services Exp>Wages	0.06	0.05	0.06	0.06	0.06	0.06	0.05	0.05	0.06	0.06	0.05	0.05
Dietary Exp>Wages	0.49	0.49	0.50	0.49	0.51	0.50	0.51	0.48	0.51	0.50	0.50	0.48
Admin Exp>Wages	0.07	0.07	0.07	0.06	0.05	0.06	0.06	0.08	0.07	0.07	0.07	0.06
Human Resources Exp>Wages	0.02	0.02	0.02	0.02	0.03	0.02	0.02	0.02	0.02	0.02	0.02	0.02
Financial Admin Exp>Wages	0.07	0.06	0.08	0.07	0.07	0.06	0.06	0.07	0.06	0.07	0.07	0.06
Maintenance Exp>Wages	0.09	0.10	0.10	0.10	0.10	0.09	0.10	0.10	0.11	0.11	0.10	0.09
Housekeeping Exp>Wages	0.34	0.32	0.36	0.35	0.35	0.32	0.32	0.35	0.33	0.36	0.37	0.33
Laundry Exp>Wages	0.15	0.15	0.16	0.16	0.16	0.16	0.15	0.16	0.16	0.15	0.16	0.15
Subtotal Non-Nursing Wages	1.57	1.51	1.64	1.55	1.61	1.51	1.49	1.60	1.59	1.61	1.63	1.45
Total Hours PPD(excludes all VHS)	5.10	4.94	5.16	5.14	5.18	4.94	4.87	5.14	5.24	5.13	5.31	4.91

BERKS HEIM
PAYROLL HOURLY RATE TREND
FOR THE MONTH ENDED DECEMBER 31, 2014

	1/31/14	2/28/14	3/31/14	4/30/14	5/31/14	6/30/14	7/31/14	8/31/14	9/30/14	10/31/14	11/30/14	12/31/14
Cert Nsg Exp>Wages>RN	$37.13	$37.09	$37.05	$36.32	$36.76	$36.37	$36.71	$36.87	$36.78	$36.25	$36.65	$37.79
Cert Nsg Exp>Wages>LPN/LVN	29.72	29.50	28.83	28.66	28.66	28.83	28.61	28.61	28.50	28.61	28.52	29.26
Cert Nsg Exp>Wages>Aides	17.64	17.89	17.50	17.50	17.46	17.55	17.50	17.62	17.48	17.46	17.51	17.87
Cert Nsg Exp>Agency>LPN	37.90	33.60	34.11	32.40	34.51	35.29	25.96	33.30	33.71	115.44	0.00	38.04
Cert Nsg Exp>Agency>Aides	20.89	20.74	21.08	20.64	20.23	20.03	19.52	20.40	21.01	20.27	21.05	21.56
Nursing	$23.19	$23.28	$22.79	$22.66	$22.78	$22.94	$22.84	$22.67	$22.80	$22.68	$22.62	$23.07
Gen Nsg Exp>Wages>DON	41.66	41.66	41.66	41.67	41.66	41.66	41.66	41.66	41.66	41.66	41.67	41.66
Gen Nsg Exp>Wages>ADON	37.90	42.35	38.12	38.79	38.79	38.79	38.80	38.79	38.79	38.79	38.79	38.79
Gen Nsg Exp>Wages>Supervisor	37.38	37.38	34.24	34.24	34.24	34.24	34.25	34.24	34.24	34.24	34.48	34.07
Gen Nsg Exp>Wages>MDS Review	28.31	28.44	28.50	28.81	28.62	28.58	28.17	28.34	28.40	29.06	28.38	28.66
Gen Nsg Exp>Wages>Administrative Support	18.22	18.37	18.22	18.22	18.22	18.22	18.62	18.18	18.22	18.27	18.64	18.07
Gen Nsg Exp>Wages>Scheduling	19.12	18.51	18.50	18.89	18.47	18.90	19.40	18.58	18.63	18.57	18.80	16.87
Nursing General	27.79	28.37	27.58	28.05	27.58	28.12	28.11	28.22	27.39	28.00	28.25	28.80
Staff Develop Exp>Wages>Supervisor	32.47	32.46	32.48	32.47	32.46	32.47	32.46	32.47	32.47	32.47	32.46	32.47
Staff Develop Exp>Wages>RN	35.83	34.86	33.15	34.92	34.70	32.50	36.11	31.01	33.41	34.11	37.10	38.26
Staff Develop Exp>Wages>LPN/LVN	0.00	0.00	0.00	0.00	0.00	0.00	0.00	42.06	0.00	0.00	42.06	42.05
Staff Development	$34.99	$34.42	$33.15	$34.62	$34.09	$32.50	$35.42	$31.65	$33.17	$33.69	$35.70	$37.23
Subtotal Nursing Wages	$23.47	$23.56	$23.07	$22.96	$23.08	$23.22	$23.12	$23.00	$23.04	$22.97	$22.93	$23.35
Ancillary Exp>Wages	20.30	20.40	19.05	18.52	19.29	19.49	19.80	19.01	19.07	19.50	18.78	18.89
Physician Services Exp>Wages	13.09	13.09	13.09	13.09	13.09	13.09	13.09	13.09	13.09	13.09	13.09	13.09
Medical Services Exp>Wages	18.73	18.93	19.37	19.48	19.23	19.24	19.45	19.02	19.06	19.42	19.24	18.33
Barber & Beauty Exp>Wages	14.93	15.00	14.71	15.00	14.77	14.82	14.66	15.00	14.89	14.78	14.93	14.73
Activity Exp>Wages	16.48	18.03	16.52	16.99	16.84	16.24	16.96	15.80	16.29	15.98	16.80	15.79
Social Services Exp>Wages	19.62	19.64	19.29	19.65	19.57	19.41	19.61	19.38	19.40	19.47	19.58	19.45
Dietary Exp>Wages	15.51	15.60	15.41	15.31	15.53	15.36	15.50	15.69	15.56	15.29	15.41	15.53
Admin Exp>Wages	16.56	16.50	16.78	17.33	17.95	17.74	16.95	16.75	16.35	16.76	16.83	16.30
Admissions Exp>Wages	21.93	22.17	22.68	21.65	21.40	26.42	28.52	26.94	26.94	28.81	30.55	29.98
Human Resources Exp>Wages	20.45	32.67	19.74	21.09	21.31	20.81	22.05	21.49	21.28	20.91	19.79	22.43
Financial Admin Exp>Wages	17.99	18.12	17.94	17.96	17.99	17.98	17.92	18.00	17.96	18.00	18.06	17.98
Maintenance Exp>Wages	18.04	18.66	18.12	17.61	17.46	17.69	18.46	17.48	17.98	17.94	17.55	18.00
Housekeeping Exp>Wages	14.83	14.91	14.60	14.64	14.31	14.30	14.28	14.41	14.50	14.18	11.04	14.23
Laundry Exp>Wages	15.19	16.26	14.71	14.91	14.63	14.76	14.76	14.78	14.95	14.74	15.07	15.46
Subtotal Non-Nursing Wages	$16.21	$16.67	$16.09	$16.07	$16.09	$15.96	$16.08	$16.07	$16.09	$15.97	$15.42	$16.02
Total Payroll Hourly Rate-excludes replacement cost	$21.24	$21.45	$20.85	$20.88	$20.91	$21.01	$20.97	$20.85	$20.93	$20.77	$20.63	$21.19

Berks County
Accounts Receivable Trend

Amount	Aging Total									% 150 days
Month	Current	30 days	60 days	90 days	120 days	150 days	180 days	210 days	Grand Total	and over
2014-01	2,429,461	2,108,669	234,610	168,781	111,749	155,658	89,863	642,926	5,941,715	14.95%
2014-02	2,239,533	2,058,124	382,071	209,400	136,323	99,374	132,603	649,265	5,906,694	14.92%
2014-03	2,513,819	1,764,899	288,884	278,499	131,531	98,537	86,498	691,332	5,853,998	14.97%
2014-04	2,369,657	2,030,880	191,236	175,179	143,859	81,144	54,926	601,572	5,648,452	13.06%
2014-05	2,429,768	1,921,154	188,169	133,227	145,583	116,750	69,110	592,004	5,595,765	13.90%
2014-06	2,353,256	2,034,775	206,181	158,830	111,834	127,020	99,528	668,500	5,759,924	15.54%
2014-07	2,444,144	1,920,342	177,741	129,983	115,400	94,643	100,682	712,814	5,695,749	15.94%
2014-08	2,411,022	2,049,563	126,147	124,683	111,053	106,905	94,355	738,814	5,762,542	16.31%
2014-09	2,343,879	2,011,558	133,094	94,485	101,947	81,936	83,063	703,064	5,553,026	15.63%
2014-10	2,504,996	300,730	116,108	90,407	63,356	73,947	52,191	629,892	3,831,627	19.73%
2014-11	2,399,882	2,108,619	149,310	87,783	74,221	63,475	69,908	652,540	5,605,738	14.02%
2014-12	2,530,459	1,931,720	167,506	110,576	69,993	63,850	51,414	687,459	5,612,976	14.30%

Amount	Payers							
Month	Insurance	Medicaid Non-Pending	Medicaid Pending	Medicare Part A	Medicare Part B	Private	Grand Total	% MA Pending
2014-01	402,522	3,656,446	679,587	185,602	415,667	601,891	5,941,715	11.44%
2014-02	416,787	3,693,214	528,259	240,527	433,636	594,271	5,906,694	8.94%
2014-03	442,180	3,784,636	537,508	275,384	324,844	489,446	5,853,998	9.18%
2014-04	425,420	3,603,791	600,696	253,077	285,272	480,197	5,648,452	10.63%
2014-05	414,689	3,594,527	670,675	200,685	280,885	434,303	5,595,765	11.99%
2014-06	417,208	3,701,019	660,363	180,587	276,057	524,690	5,759,924	11.46%
2014-07	375,307	3,726,468	557,864	245,932	281,153	509,026	5,695,749	9.79%
2014-08	343,115	4,008,239	309,885	198,583	272,719	630,000	5,762,542	5.38%
2014-09	239,815	3,902,849	308,163	199,076	270,259	632,864	5,553,026	5.55%
2014-10	252,632	1,854,541	309,828	259,727	347,407	807,491	3,831,627	8.09%
2014-11	270,285	3,607,680	422,691	226,187	309,137	769,759	5,605,738	7.54%
2014-12	249,603	3,601,564	518,198	267,644	234,637	741,330	5,612,976	9.23%

YearMonth 2014-12

Amount	Age								
Payers	Current	30 days	60 days	90 days	120 days	150 days	180 days	210 days	Grand Total
Insurance	78,965	53,178	28,368	4,093	1,783	4,136	6,662	72,418	249,603
Medicaid Non-Pending	1,722,592	1,696,831	39,305	17,830	11,547	10,916	10,099	92,444	3,601,564
Medicaid Pending	186,494	122,783	76,339	50,686	33,506	22,122	9,834	16,433	518,198
Medicare Part A	250,760	2,127	1,373	12,065	0	0	0	1,319	267,644
Medicare Part B	87,942	2,004	1,236	2,171	3,641	5,948	7,944	123,752	234,637
Private	203,705	54,797	20,884	23,732	19,515	20,729	16,876	381,093	741,330
Grand Total	**2,530,459**	**1,931,720**	**167,506**	**110,576**	**69,993**	**63,850**	**51,414**	**687,459**	**5,612,976**

BERKS COUNTY HOME - BERKS HEIM

2014 Schedule of Room & Board Revenues by Payor Class

		Actual JAN	Budget JAN	Variance JAN	Actual FEB	Budget FEB	Variance FEB	Actual MAR	Budget MAR	Variance MAR	Actual APRIL	Budget APRIL	Variance APRIL	Actual MAY	Budget MAY	Variance MAY	Actual JUNE	Budget JUNE	Variance JUNE
MEDICARE A	53000.33020.00000.44051	132,880.00	249,857.00	(117,177.00)	175,150.00	225,679.00	(50,529.00)	217,310.00	249,857.00	(32,547.00)	199,330.00	241,798.00	(42,468.00)	160,270.00	249,857.00	(89,587.00)	150,970.00	241,798.00	(90,828.00)
MEDICARE A CO-INS																			
CONTRACTUAL ADJ/MED A	53000.33020.00000.44053	71,004.14	106,922.00	(35,917.86)	102,909.83	96,577.00	6,332.83	126,986.62	106,922.00	20,064.62	102,686.13	103,470.00	(783.87)	68,646.13	106,922.00	(38,275.87)	74,658.00	103,470.00	(28,812.00)
MEDICARE SETTLEMENT	53000.33020.00000.44054																		
		203,884.14	356,779.00	(153,094.86)	278,059.83	322,256.00	(44,196.17)	344,296.62	356,779.00	(12,482.38)	302,016.13	345,268.00	(43,251.87)	228,916.13	356,779.00	(127,862.87)	225,628.00	345,268.00	(119,440.00)
MEDICARE DAYS		428	606	(378)	565	728	(163)	701	606	(105)	644	780	(136)	517	806	(289)	487	780	(293)
AVERAGE DAILY RATE		475.90	442.65	33.24	492.14	442.66	49.48	491.15	442.65	48.50	468.97	442.65	26.32	442.78	442.65	0.12	463.71	442.65	21.06
MEDICAL ASSISTANCE	53000.33020.00000.44055	2,958,879.31	3,152,462.00	(193,582.69)	2,964,840.00	2,847,415.00	117,425.00	3,213,889.28	3,152,462.00	61,427.28	3,182,150.00	3,050,780.00	131,370.00	3,309,870.00	3 152,462.00	157,408.00	3,158,590.00	3,050,780.00	107,810.00
CONTRACT ADJ/MED ASSIST	53000.33020.00000.44056	(703,548.57)	(953,613.00)	250,064.43	(900,433.55)	(861,328.00)	(39 105.55)	(977,462.24)	(953,613.00)	(23,849.24)	(966,491.37)	(922,851.00)	(43,640.37)	(976,556.00)	(953,613.00)	(22,943.00)	(950,665.92)	(922,851.00)	(27,814.92)
TOTAL MA REVENUE (BILLING + NON LUMP SUM)		2,255,330.74	2,198,849.00	56,481.74	2,064,406.45	1,986,087.00	78,319.45	2,236,427.04	2,198,849.00	37,578.04	2,215,659.63	2,127,929.00	87,729.63	2,333,314.00	2,198,849.00	134,465.00	2,207,962.08	2,127,929.00	79,995.08
MEDICAID DAYS		10,323	10,168	155	9,549	9,184	365	10,382	10,168	214	10,265	9,840	425	10,677	10,168	509	10,189	9,840	349
AVERAGE DAILY RATE(EXCLUDING LUMP SUMS)		218.48	216.25	2.22	216.19	216.26	(0.06)	215.41	216.25	(0.84)	215.85	216.25	(0.41)	218.54	216.25	2.28	216.70	216.25	0.44
M A SETTLEMENT(PFP) (2)	53000.33020.00000.44054	0.00	19,532.00	(19,532.00)	0.00	19,532.00	(19,532.00)	288,464.00	19,532.00	268,932.00	0.00	19,532.00	(19,532.00)	0.00	19,532.00	(19,532.00)	0.00	19 532.00	(19,532.00)
M A IGT (3)	53000.33020.00000.44094	194,696.00	182,772.00	11,923.00	194,696.00	182,772.00	11,924.00	194,696.00	182,772.00	11,923.00	194,696.00	182,772.00	11,924.00	194,696.00	182,773.00	11,923.00	194,696.00	182,772.00	11,924.00
NURSING HOME ASSESSMENT (1)(4)	53000.33020.00000.44058	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL MA REVENUES INCLUDING LUMP SUMS		2,450,026.74	2,401,154.00	48,872.74	2,259,102.45	2,188,391.00	70,711.45	2,719,587.04	2,401,154.00	318,433.04	2,410,354.63	2,330,233.00	80,121.63	2,528,010.00	2,401,154.00	126,856.00	2,402,620.08	2,330,233.00	72,387.08
ESTIMATED AVG DAILY RATE INCLUDING LUMP SUM PAYMENTS		237.34	236.15	1.19	236.58	238.28	(1.70)	261.85	236.15	25.80	234.61	236.81	(2.20)	236.77	236.15	0.62	235.81	236.81	(1.01)
CMI(TOTAL)					0.97									0.93					
PRIVATE PAY	53000.33020.00000.44063	602,330.00	557,859.00	44,471.00	447,330.00	503,872.00	(56,542.00)	556,140.00	557,859.00	(1,719.00)	452,600.00	539,863.00	(87,263.00)	470,890.00	557,859.00	(86,969.00)	517,300.00	539,863.00	(22,473.00)
CONTRACTUAL ADJ/PRIV PAY		0.00			0.00			0.00			0.00			0.00	0.00		0.00		
		602,330.00	557,859.00	44,471.00	447,330.00	503,872.00	(56,542.00)	556,140.00	557,859.00	(1,719.00)	452,600.00	539,863.00	(87,263.00)	470,890.00	557,859.00	(86,969.00)	517,300.00	539,863.00	(22,473.00)
PRIVATE PAY DAYS		1,943	1,798	145	1,458	1,624	(166)	1,778	1,798	(19)	1,460	1,740	(280)	1,519	1,798	(279)	1,669	1,740	(71)
AVERAGE DAILY RATE		310.00	310.27	(0.27)	306.81	310.27	(3.46)	312.81	310.27	2.55	310.00	310.27	(0.27)	310.00	310.27	(0.27)	310.00	310.27	(0.27)
MEDICARE MANAGED CARE(HMO)	53000.33020.00000.44118	13,020.00	23,446.00	(10,426.00)	8,370.00	25,695.00	(17,325.00)	28,350.00	28,446.00	(96.00)	25,420.00	27,529.00	(2,109.00)	33,480.00	23,446.00	5,034.00	30,390.00	27,529.00	2,861.00
MEDICARE MANAGED CARE C/A	53000.33020.00000.44119	(827.63)	(4,814.00)	3,986.37	1,029.00	(4,348.00)	5,377.00	0.00	(4,814.00)	4,814.00	(3,687.00)	(4,858.79)	971.79	(710.00)	(4,814.00)	4,104.00	390.00	(4,859.00)	5,249.00
		12,192.37	23,632.00	(11,439.63)	9,399.00	21,347.00	(11,948.00)	28,350.00	23,632.00	4,718.00	21,733.00	22,670.21	(1,197.21)	32,770.00	23,632.00	9,138.00	30,780.00	22,670.00	7,900.00
MEDICARE MANAGED CARE DAYS		42	62	(20)	27	56	(29)	90	62	28	82	60	22	108	62	46	96	60	36
COMMERCIAL (AUTO)	53000.33020.00000.44066	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
COMMERCIAL (AUTO) - C/A	53000.33020.00000.44067	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
COMMERCIAL DAYS		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL																			
TOTAL REVENUE		3 268.233.25	3,339,424.00	(71,190.75)	2,993,891.28	3,035,866.00	(41,974.72)	3,648,373.66	3,339,424.00	308,949.66	3,186,703.76	3 238 234.21	(51 530.45)	3,260 586.13	3,339,424.00	(78,837.87)	3,176,608.08	3,238,234.00	(61,625.92)
TOTAL DAYS		12,736	12,834	(78)	11,599	11 592	7	12,952	12,834	118	12,451	12,420	31	12,821	12,834	(13)	12,443	12,420	23
TOTAL AVERAGE RATE(includes lump sums)		256.61	260.20	(3.59)	256.12	261.89	(3.76)	281.66	260.20	21.48	255.94	260.73	(4.79)	254.32	260.20	(5.89)	255.29	260.73	(5.43)
UTILIZATION																			
TOTAL - ACTUAL DAYS		12,736	12,834	(98)	11,599	11,592	7	12,952	12,834	118	12,451	12,420	31	12,821	12,834	(13)	12,443	12,420	23
TOTAL - STANDARD DAYS		13,020	13,020	0	11,760	11,760	0	13 020	13,020	0	12,600	12,600	0	13,020	13,020	0	12,600	12,600	0
% UTILIZED		97.82%	98.57%	(0.75%)	98.63%	98.57%	0.06%	99.48%	98.57%	0.91%	98.82%	98.57%	0.25%	98.47%	98.57%	(0.00)	98.75%	98.57%	0.18%

NOTE: WORKSHEET INCLUDES ROOM & BOARD REVENUES ONLY (EXCLUDES MEDICARE PART B THERAPY REVENUES)

Actual JULY	Budget JULY	Variance JULY	Actual AUG	Budget AUG	Variance AUG	Actual SEPT	Budget SEPT	Variance SEPT	Actual OCT	Budget OCT	Variance OCT	Actual NOV	Budget NOV	Variance NOV	Actual DEC	Budget DEC	Variance DEC	ACTUAL YEAR TO DATE 2014		BUDGET 2014 TOTAL	
206,700.00	249,857.00	(43,057.00)	161,110.00	249,857.00	(88,747.00)	186,400.00	241,798.00	(53,398.00)	220,400.00	249,857.00	(19,457.00)	190,140.00	241,798.00	(51,658.00)	228,420.00	249,857.00	(21,437.00)	2,240,970.00		2,941,870.00	
80 149,01	106,922,00	(26 772,99)	60,413,90	108 922,00	(48,508,10)	57,151,47	103,470.00	(46,318,53)	69,392,56	112,987,00	(43,594,44)	64,090.25	109,343.00	(45,252.75)	80,237.22	112,987.00	(32,749,78)	958,525.26		1,276,914,00	
286,849,01	356,779.00	(69,929,99)	221,523.90	358,779.00	(135,255.10)	243,551.47	345,268.00	(99,716,53)	289,792.56	362,844.00	(83,051.44)	254,230.25	351,141.00	(96,910.75)	308,657.22	362,844.00	(54,186.78)	3,199,495.26	6.13%	4,218,784.00	10.64%
619	806	(187)	484	808	(322)	556	780	(224)	679	806	(127)	561	780	(219)	677	808	(129)	6,918	4,59%	9,490	6,28%
463,55	442,65	20,90	457,69	442,65	15,04	441,64	442,65	(1,01)	441,52	450,18	(8,66)	453,17	450,18	2,99	456,92	450,18	5,74	462,49		444,55	
																				2014 TOTAL	
3,421,785,00	3,152,462,00	269,323,00	3,204 155,00	3,152,462,00	51,693.00	3,225,070.00	3,050,780,00	174,290.00	3,236,780.00	3 152 462,00	56,318,00	3,368,460,00	3,050,760,00	317,680.00	3,453,460,00	3,152,461,00	300,999	38,699,928,59		37,117,768,00	
(1,124,457,98)	(909 644,00)	(214,813,98)	(997,554,88)	(909,644,00)	(87,910,88)	(1,033,583,49)	(880,300,00)	(153,283,49)	(1,027,028,31)	(909,844,00)	(117,384,31)	(1,072,078,38)	(880,300,00)	(191,778,38)	(1,107,016,97)	(909,644,00)	(197,373)	(11,636,877,66)		(10,967,045,00)	
2,297,327,02	2,242,818,00	54 509,02	2,206,600,12	2,242,818,00	(36 217,88)	2,191,486,51	2,170,460,00	21,006,51	2,211,751,65	2,242,818,00	(31,066,31)	2,296,381,62	2,170,460,00	125,901,62	2,345,443,03	2,242,817,00	103,626,03	26,863,050,93	68,27%	26,150,723,00	65,96%
10,432	10,168	264	9,991	10,168	(177)	9,968	9,840	126	10,002	10,168	(166)	10,418	9,840	578	10,669	10,168	501	122,865	81,58%	119,720	78,23%
220,22	223,58	(0,36)	220,86	220,58	0,28	219,85	220,58	(0,73)	221,15	220,58	0,55	220,42	220,58	(0,15)	219,93	220,58	(0,65)	218,64		218,43	
0,00	19,532,00	(19,532,00)	0,00	19,532,00	(19,532,00)	0,00	19,532,00	(19,532,00)	149,824,96	19,532,00	130,292,96	0.00	19,532.00	(19,532,00)	0.00	19,532,00	(19,532,00)	438,388,56		234,384,00	
150,217,00	182,773,00	(2,556,00)	180,217,00	182,773,00	(2,556,00)	180,217,00	182,773,00	(2,556,00)	190,217,00	182,773,00	(2,556,00)	232,744,00	182,772,00	49,972,00	190,722,00	182,773,00	7,949,00	2,312,510,00		2,193,271,00	
0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00		0,00	
2,477,544,02	2,445,123,00	32,421,02	2,396,817,12	2,445,123,00	(58,305,88)	2,371,703,51	2,372,785,00	(1,081,49)	2,541,893,65	2,445,123,00	96,770,65	2,529,125,62	2,372,784,00	156,341,62	2,537,165,03	2,445,122,00	92,043,03	29,613,949,89	75,26%	28,576,378,00	72,09%
237,49	248,47	(2,98)	238,90	240,47	(1,58)	237,93	241,14	(3,20)	254,14	240,47	13 67	242,76	241,14	1,63	237,91	240,47	(2,67)	241,03		236,71	
			0,94																		
																				2014 TOTAL	
554,127,10	557,859,00	(3,731,90)	669,600,68	557,859,00	111,741,68	547,260,00	539,863,00	7,397,00	638,786,00	557,859,00	80,927,00	389,870,00	539,863,00	(149,993,00)	464,012,11	557,859,00	(93,846,89)	6,310,335,99		6,568,337,00	
0.00			0.00			0.00			0.00			0.00						0.00			
554,127,10	557,859,00	(3,731,90)	669,600,68	557,859,00	111,741,68	547,260,00	539,863,00	7,397,00	638,786,00	557,859,00	80,927,00	389,870,00	539,863,00	(149,993,00)	464,012,11	557,859,00	(93,846,89)	6,310,335,99	16,04%	6,568,337,00	16,57%
1,715	1,798	(83)	2,168	1,798	370	1,886	1,740	(54)	2,072	1,798	274	1,188	1,740	(552)	1,425	1,798	(373)	20,082	13,33%	21,170	14,01%
323,11	310,27	12,84	308,86	310,27	(1,41)	324,59	310,27	14,32	308,29	310,27	(1,97)	328,17	310,27	17,91	325,82	310,27	15,56	314,23		310,27	
31,120,00	28,446,00	2,674,00	20 740,00	28,446,00	(7,706,00)	10,880,00	27,529,00	(16,649,00)	7,330,00	28,913,00	(21,583,00)	21,650,00	27,961,00	(6,331,00)	7,600,00	28,910,00	(21,310,00)	238,340,00		235,316,00	
(1,110,00)	(4,814,00)	3,704,00	(2,667,32)	(4,814,00)	2,146,68	(800,00)	(4,659,00)	3,859,00	(1,415,00)	(4,814,00)	3,399,00	(1,175,00)	(4,659,00)	3,484,00	(356,00)	(4,814,00)	4,459,00	(11,327,95)		(56 882,00)	
30,010,00	23,632,00	6,378,00	18,072,68	23,632,00	(5,559,32)	10,080,00	22,870,00	(12,790,00)	5,915,00	24,099,00	(18,184,00)	20,475,00	23,322,00	(2,847,00)	7,245,00	24,096,00	(16,851,00)	227,012,05	0,56%	279,634,00	0,71%
94	62	32	61	62	(1)	32	60	(28)	21	62	(41)	65	60	5	23	62	(39)	743	0,49%	730	0,48%
0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00		0,00	
0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00		0,00	
0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00%	0,00	0,00%
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0,00%	0	0,00%
3,348,620,13	3,383,393,00	(34,772,87)	3,296,014,38	3,383,393,00	(87,378,62)	3,174,594,98	3,280,786,00	(106,191,02)	3,486,387,21	3,389,925,00	96,462,21	3,193,700,87	3,287,110,00	(93,409,13)	3,317,078,36	3,389,921,00	(72,841,64)	39 350,793,09	100,00%	39 645,193,00	100,00%
12,860	12,534	26	12,704	12,834	(130)	12,242	12,420	(178)	12,774	12,834	(60)	12,232	12,420	(188)	12 794	12,834	(40)	150 608	100,00%	151 110	100,00%
260,39	263,63	(3,24)	259,45	263,63	(4,18)	259,52	264,15	(4,63)	272,93	264,14	8,79	261,09	264,66	(3,57)	259,27	264,14	(4,87)	261,23		262,36	
12,860	12,834	26	12,704	12,834	(130)	12,242	12,420	(178)	12,774	12,834	(60)	12 232	12,420	(188)	12,794	12,834	(40)	150 608		151,110	
13,020	13,020	0	13,020	13,020	0	12,600	12,600	0	13,020	13,020	0	12,600	12,600	0	13,020	13,020	0	153,300		153,300	
98,77%	98,57%	0,20%	97,57%	98,57%	(1,00%)	97,15%	98,57%	(1,41%)	98,11%	98,57%	(0,46%)	97,08%	98,57%	(0,01)	98,26%	98,57%	(0,31%)	98,24%		98,57%	

Berks Heim
Detail Income Statement - Actual versus Budget
YTD ending December, 2014
Unaudited

2014 Actual Dollars	2014 Budget Dollars	December Variance	Actual PPD	Budget PPD	(Dollars)	YTD 2014 Actual Dollars	YTD 2014 Budget Dollars	YTD Variance	YTD Actual PPD	YTD Budget PPD
					PATIENT DAYS					
677	806	(129)			Medicare A	6,917	9,490	(2,573)		
1,425	1,798	(373)			Private	20,082	21,170	(1,088)		
10,069	10,168	(99)			Medicaid	123,652	119,720	3,932		
600	0	600			Medicaid Pending	(787)	0	(787)		
23	62	(39)			Medicare HMO	743	730	13		
12,794	12,834	(40)			Total	150,607	151,110	(503)		
228,420	249,857	(21,437)	337.40	310.00	5001-201-01 R&B>Medicare A>Certified	2,240,970	2,941,870	(700,900)	323.98	310.00
86,281	112,987	(26,706)	127.45	140.18	5001-201-03 R&B>Medicare A>C/A	1,054,728	1,276,914	(222,186)	152.48	134.55
(876)	0	(876)	(1.29)	0.00	5001-201-76 R&B>Medicare A>Dual Bad Debts	(44,117)	0	(44,117)	(6.38)	0.00
(5,169)	0	(5,169)	(7.64)	0.00	5001-201-85 R&B>Medicare A>Offset	(52,086)	0	(52,086)	(7.53)	0.00
308,657	**362,844**	**(54,187)**	**455.92**	**450.18**	**5001-201 Room & Board>Medicare A**	**3,199,495**	**4,218,784**	**(1,019,289)**	**462.56**	**444.55**
464,790	557,380	(92,590)	326.17	310.00	5001-203-01 R&B>Private>Certified	6,311,114	6,562,700	(251,586)	314.27	310.00
(778)	0	(778)	(0.55)	0.00	5001-203-03 R&B>Private>C/A	(778)	0	(778)	(0.04)	0.00
464,012	**557,380**	**(93,368)**	**325.62**	**310.00**	**5001-203 Room & Board>Private**	**6,310,336**	**6,562,700**	**(252,364)**	**314.23**	**310.00**
3,252,310	3,152,392	99,918	323.00	310.03	5001-204-01 R&B>Medicaid>Certified	39,096,822	37,116,944	1,979,878	316.18	310.03
(1,035,511)	(909,644)	(125,867)	(102.84)	(89.46)	5001-204-03 R&B>Medicaid>C/A	(12,127,167)	(10,967,045)	(1,160,122)	(98.07)	(91.61)
190,722	182,773	7,949	18.94	17.98	5001-204-09 R&B>Medicaid>Dispro Share/IGT	2,312,512	2,193,276	119,236	18.70	18.32
0	0	0	0.00	0.00	5001-204-15 R&B>Medicaid>Other	38,725	0	38,725	0.31	0.00
2,407,522	**2,425,521**	**(17,999)**	**239.10**	**238.54**	**5001-204 Room & Board>Medicaid**	**29,320,891**	**28,343,175**	**977,716**	**237.12**	**236.75**

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December						YTD				
2014 Actual Dollars	2014 Budget Dollars	Variance	Actual PPD	Budget PPD	(Dollars)	2014 Actual Dollars	2014 Budget Dollars	Variance	Actual PPD	Budget PPD
201,150	0	201,150	335.25	0.00	5001-205-01 R&B>Medicaid Pending>Certified	(197,468)	0	(197,468)	250.91	0.00
(71,506)	0	(71,506)	(119.18)	0.00	5001-205-03 R&B>Medicaid Pending>C/A	52,137	0	52,137	(66.25)	0.00
129,644	**0**	**129,644**	**216.07**	**0.00**	**5001-205 Room & Board>Medicaid Pending**	**(145,330)**	**0**	**(145,330)**	**184.66**	**0.00**
7,600	18,561	(10,961)	330.43	299.37	5001-211-01 R&B>Medicare HMO>Certified	237,890	214,428	23,462	320.17	293.74
(355)	0	(355)	(15.43)	0.00	5001-211-03 R&B>Medicare HMO>C/A	(10,878)	0	(10,878)	(14.64)	0.00
7,245	**18,561**	**(11,316)**	**315.00**	**299.37**	**5001-211 Room & Board>Medicare HMO**	**227,012**	**214,428**	**12,584**	**305.53**	**293.74**
3,317,079	**3,364,306**	**(47,227)**	**259.27**	**262.14**	**t.5001 R&B**	**38,912,404**	**39,339,087**	**(426,683)**	**258.37**	**260.33**
44,456	41,502	2,954	65.67	51.49	5012-201-00 Pharmacy Rev>Medicare A	417,534	488,656	(71,122)	60.36	51.49
(44,456)	(41,502)	(2,954)	(65.67)	(51.49)	5012-201-03 Pharmacy Rev>Medicare A>C/A	(417,534)	(488,656)	71,122	(60.36)	(51.49)
0	0	0	0.00	0.00	5012-203-00 Pharmacy Rev>Private	(240)	0	(240)	(0.01)	0.00
0	0	0	0.00	0.00	5012-204-00 Pharmacy Rev>Medicaid	7,935	0	7,935	0.06	0.00
0	0	0	0.00	0.00	5012-204-03 Pharmacy Rev>Medicaid>C/A	(7,935)	0	(7,935)	(0.06)	0.00
1,603	3,874	(2,271)	69.71	62.48	5012-211-00 Pharmacy Rev>Medicare HMO	39,607	45,613	(6,006)	53.31	62.48
(1,603)	(3,874)	2,271	(69.71)	(62.48)	5012-211-03 Pharmacy Rev>Medicare HMO>C/A	(39,607)	(45,613)	6,006	(53.31)	(62.48)
0	**0**	**0**	**0.00**	**0.00**	**t.5012 Pharmacy Revenue**	**(240)**	**0**	**(240)**	**0.00**	**0.00**
					Therapy Revenue					
(7,424)	(11,034)	3,610	(0.58)	(0.86)	5020-202-03 Therapy Rev>Medicare B>C/A	(108,899)	(129,916)	21,017	(0.72)	(0.86)
(1,782)	0	(1,782)	(0.14)	0.00	5020-202-85 Therapy Rev>Medicare B>Offset	(21,118)	0	(21,118)	(0.14)	0.00
(9,206)	**(11,034)**	**1,828**	**(0.72)**	**(0.86)**	**t.5020 Therapy Revenue**	**(130,016)**	**(129,916)**	**(100)**	**(0.86)**	**(0.86)**

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2014 Actual Dollars	2014 Budget Dollars	December Variance	Actual PPD	Budget PPD	(Dollars)	2014 Actual Dollars	2014 Budget Dollars	YTD Variance	Actual PPD	Budget PPD
32,440	18,000	14,440	47.92	22.33	5025-201-00 Speech Therapy Rev>Medicare A	310,100	211,934	98,166	44.83	22.33
(32,440)	(18,000)	(14,440)	(47.92)	(22.33)	5025-201-03 Speech Therapy Rev>Medicare A>C/A	(310,100)	(211,934)	(98,166)	(44.83)	(22.33)
40,631	44,841	(4,210)	3.18	3.49	5025-202-00 Speech Therapy Rev>Medicare B	594,000	527,964	66,036	3.94	3.49
(14,168)	0	(14,168)	(1.11)	0.00	5025-202-03 Speech Therapy Rev>Medicare B>C/A	(204,688)	0	(204,688)	(1.36)	0.00
0	0	0	0.00	0.00	5025-208-00 Speech Therapy Rev>Insurance	1,455	0	1,455	0.00	0.00
0	0	0	0.00	0.00	5025-208-03 Speech Therapy Rev>Insurance>C/A	0	0	0	0.00	0.00
10,400	1,385	9,015	452.18	22.34	5025-211-00 Speech Therapy Rev>Medicare HMO	100,302	16,306	83,996	135.00	22.34
(3,044)	(745)	(2,299)	(132.36)	(12.02)	5025-211-03 Speech Therapy Rev>Medicare HMO>C/A	(58,663)	(8,772)	(49,891)	(78.95)	(12.02)
33,819	**45,481**	**(11,662)**	**2.64**	**3.54**	**t.5025 Speech Therapy Revenue**	**432,406**	**535,498**	**(103,092)**	**2.87**	**3.54**
82,660	49,818	32,842	122.10	61.81	5026-201-00 Physical Therapy Rev>Medicare A	793,210	586,567	206,643	114.68	61.81
(82,660)	(49,818)	(32,842)	(122.10)	(61.81)	5026-201-03 Physical Therapy Rev>Medicare A>C/A	(793,210)	(586,567)	(206,643)	(114.68)	(61.81)
102,128	42,284	59,844	7.98	3.29	5026-202-00 Physical Therapy Rev>Medicare B	1,021,688	497,860	523,828	6.78	3.29
(56,650)	0	(56,650)	(4.43)	0.00	5026-202-03 Physical Therapy Rev>Medicare B>C/A	(554,653)	0	(554,653)	(3.68)	0.00
0	9	(9)	0.00	0.00	5026-204-00 Physical Therapy Rev>Medicaid	3,010	107	2,903	0.02	0.00
0	0	0	0.00	0.00	5026-204-03 Physical Therapy Rev>Medicaid>C/A	(3,010)	0	(3,010)	(0.02)	0.00
0	0	0	0.00	0.00	5026-205-00 Physical Therapy Rev>Medicaid Pending	(105)	0	(105)	0.13	0.00
0	0	0	0.00	0.00	5026-205-03 Physical Therapy Rev>Medicaid Pending>C/A	105	0	105	(0.13)	0.00
0	0	0	0.00	0.00	5026-208-00 Physical Therapy Rev>Insurance	3,790	0	3,790	0.00	0.00
0	0	0	0.00	0.00	5026-208-03 Physical Therapy Rev>Insurance>C/A	(240)	0	(240)	0.00	0.00
7,520	3,832	3,688	326.96	61.81	5026-211-00 Physical Therapy Rev>Medicare HMO	184,658	45,121	139,537	248.53	61.81
(2,954)	(1,681)	(1,273)	(128.43)	(27.11)	5026-211-03 Physical Therapy Rev>Medicare HMO>C/A	(81,323)	(19,793)	(61,530)	(109.45)	(27.11)
50,044	**44,444**	**5,600**	**3.91**	**3.46**	**t.5026 Physical Therapy Revenue**	**573,920**	**523,295**	**50,625**	**3.81**	**3.46**

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December 2014 Actual Dollars	December 2014 Budget Dollars	December Variance	December Actual PPD	December Budget PPD	(Dollars)	YTD 2014 Actual Dollars	YTD 2014 Budget Dollars	YTD Variance	YTD Actual PPD	YTD Budget PPD
90,480	64,272	26,208	133.65	79.74	5027-201-00 Occup Therapy Rev>Medicare A	935,590	756,752	178,838	135.26	79.74
(90,480)	(64,272)	(26,208)	(133.65)	(79.74)	5027-201-03 Occup Therapy Rev>Medicare A>C/A	(935,590)	(756,752)	(178,838)	(135.26)	(79.74)
81,042	57,924	23,118	6.33	4.51	5027-202-00 Occup Therapy Rev>Medicare B	951,134	682,006	269,128	6.32	4.51
(40,811)	0	(40,811)	(3.19)	0.00	5027-202-03 Occup Therapy Rev>Medicare B>C/A	(481,373)	0	(481,373)	(3.20)	0.00
0	61	(61)	0.00	0.01	5027-204-00 Occup Therapy Rev>Medicaid	3,285	718	2,567	0.03	0.01
0	0	0	0.00	0.00	5027-204-03 Occup Therapy Rev>Medicaid>C/A	(3,285)	0	(3,285)	(0.03)	0.00
0	0	0	0.00	0.00	5027-205-00 Occup Therapy Rev>Medicaid Pending	(710)	0	(710)	0.90	0.00
0	0	0	0.00	0.00	5027-205-03 Occup Therapy Rev>Medicaid Pending>C/A	710	0	710	(0.90)	0.00
0	0	0	0.00	0.00	5027-208-00 Occup Therapy Rev>Insurance	4,450	0	4,450	0.00	0.00
0	0	0	0.00	0.00	5027-208-03 Occup Therapy Rev>Insurance>C/A	0	0	0	0.00	0.00
9,725	4,944	4,781	422.83	79.74	5027-211-00 Occup Therapy Rev>Medicare HMO	155,202	58,214	96,988	208.89	79.75
(3,687)	(2,388)	(1,299)	(160.29)	(38.52)	5027-211-03 Occup Therapy Rev>Medicare HMO>C/A	(78,312)	(28,117)	(50,195)	(105.40)	(38.52)
46,270	**60,541**	**(14,271)**	**3.62**	**4.72**	**t.5027 Occup Therapy Revenue**	**551,101**	**712,821**	**(161,720)**	**3.66**	**4.72**
120,927	**139,432**	**(18,505)**	**9.45**	**10.86**	**t.502 Total Therapy Services**	**1,427,410**	**1,641,698**	**(214,288)**	**9.48**	**10.86**
22	349	(327)	0.03	0.43	5045-201-00 Chargeable Med Supply Rev>Medicare A	5,028	4,110	918	0.73	0.43
(22)	(349)	327	(0.03)	(0.43)	5045-201-03 Chargeable Med Supply Rev>Medicare A>C/A	(5,028)	(4,110)	(918)	(0.73)	(0.43)
0	11	(11)	0.00	0.18	5045-211-00 Chargeable Med Supply Rev>Medicare HMO	181	131	50	0.24	0.18
0	0	0	0.00	0.00	5045-211-03 Chargeable Med Supply Rev>Medicare HMO>C/A	(181)	0	(181)	(0.24)	0.00
0	**11**	**(11)**	**0.00**	**0.00**	**t.5045 Chargeable Med Supply Revenue**	**0**	**131**	**(131)**	**0.00**	**0.00**
0	**11**	**(11)**	**0.00**	**0.00**	**t.5045a Total Medical Suppy Revenue**	**0**	**131**	**(131)**	**0.00**	**0.00**

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December 2014 Actual Dollars	December 2014 Budget Dollars	December Variance	December Actual PPD	December Budget PPD	(Dollars)	YTD 2014 Actual Dollars	YTD 2014 Budget Dollars	YTD Variance	YTD Actual PPD	YTD Budget PPD
852	2,577	(1,725)	1.26	3.20	5057-201-00 Radiology Rev>Medicare A	19,301	30,342	(11,041)	2.79	3.20
(852)	(2,577)	1,725	(1.26)	(3.20)	5057-201-03 Radiology Rev>Medicare A>C/A	(19,301)	(30,342)	11,041	(2.79)	(3.20)
0	0	0	0.00	0.00	5057-204-00 Radiology Rev>Medicaid	586	0	586	0.00	0.00
0	0	0	0.00	0.00	5057-204-03 Radiology Rev>Medicaid>C/A	(586)	0	(586)	0.00	0.00
0	60	(60)	0.00	0.97	5057-211-00 Radiology Rev>Medicare HMO	2,763	711	2,052	3.72	0.97
0	(60)	60	0.00	(0.97)	5057-211-03 Radiology Rev>Medicare HMO>C/A	(2,763)	(711)	(2,052)	(3.72)	(0.97)
1,678	3,733	(2,055)	2.48	4.63	5058-201-00 Lab Rev>Medicare A	22,180	43,955	(21,775)	3.21	4.63
(1,678)	(3,733)	2,055	(2.48)	(4.63)	5058-201-03 Lab Rev>Medicare A>C/A	(22,180)	(43,955)	21,775	(3.21)	(4.63)
0	0	0	0.00	0.00	5058-204-00 Lab Rev>Medicaid	368	0	368	0.00	0.00
0	0	0	0.00	0.00	5058-204-03 Lab Rev>Medicaid>C/A	(368)	0	(368)	0.00	0.00
377	211	166	16.38	3.40	5058-211-00 Lab Rev>Medicare HMO	4,223	2,484	1,739	5.68	3.40
(377)	(211)	(166)	(16.38)	(3.40)	5058-211-03 Lab Rev>Medicare HMO>C/A	(4,235)	(2,484)	(1,751)	(5.70)	(3.40)
0	**0**	**0**	**0.00**	**0.00**	**t.5058 Lab Revenue**	**(12)**	**0**	**(12)**	**0.00**	**0.00**
0	1,316	(1,316)	0.00	0.10	5060-202-00 Vaccine Rev>Medicare B	22,158	15,497	6,661	0.15	0.10
(21)	0	(21)	0.00	0.00	5060-202-03 Vaccine Rev>Medicare B>C/A	(3,852)	0	(3,852)	(0.03)	0.00
0	0	0	0.00	0.00	5060-203-00 Vaccine Rev>Private	(240)	0	(240)	(0.01)	0.00
0	0	0	0.00	0.00	5060-204-00 Vaccine Rev>Medicaid	120	0	120	0.00	0.00
0	0	0	0.00	0.00	5060-204-03 Vaccine Rev>Medicaid>C/A	(120)	0	(120)	0.00	0.00
0	180	(180)	0.00	2.90	5060-211-00 Vaccine Rev>Medicare HMO	1,728	2,119	(391)	2.33	2.90
(363)	0	(363)	(15.80)	0.00	5060-211-03 Vaccine Rev>Medicare HMO>C/A	(623)	0	(623)	(0.84)	0.00
(384)	**1,496**	**(1,880)**	**(0.03)**	**0.12**	**t.5060 Vaccine Revenue**	**19,171**	**17,616**	**1,555**	**0.13**	**0.12**
0	12	(12)	0.00	0.01	5061-201-00 Other Pat Svs Rev>Medicare A	0	143	(143)	0.00	0.02

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December 2014 Actual Dollars	December 2014 Budget Dollars	December Variance	December Actual PPD	December Budget PPD	(Dollars)	YTD 2014 Actual Dollars	YTD 2014 Budget Dollars	YTD Variance	YTD Actual PPD	YTD Budget PPD
0	(12)	12	0.00	(0.01)	5061-201-03 Other Pat Svs Rev>Medicare A>C/A	0	(143)	143	0.00	(0.02)
63	479	(416)	0.04	0.27	5061-203-00 Other Pat Svs Rev>Private	4,729	5,637	(908)	0.24	0.27
63	**479**	**(416)**	**0.00**	**0.04**	**t.5061 Other Patient Services Revenue**	**4,729**	**5,637**	**(908)**	**0.03**	**0.04**
579	0	579	0.41	0.00	5070-203-00 Barber & Beauty Rev>Private	9,227	0	9,227	0.46	0.00
579	**0**	**579**	**0.05**	**0.00**	**t.5070 Barber & Beauty Revenue**	**9,227**	**0**	**9,227**	**0.06**	**0.00**
257	**1,975**	**(1,718)**	**0.02**	**0.15**	**t.5050a Total Other Ancillary Revenue**	**33,115**	**23,253**	**9,862**	**0.22**	**0.15**
257	**1,986**	**(1,729)**	**0.00**	**0.00**	**t.503 Total Other Ancillary Revenue**	**33,115**	**23,384**	**9,731**	**1.36**	**0.00**
121,184	141,418	(20,234)	9.47	11.02	t.51 Total Ancillary Revenue	1,460,285	1,665,082	(204,797)	9.70	11.02
					Other Revenue					
0	0	0	0.00	0.00	5900-000-98 Other Rev>>Prior Year	(43,908)	0	(43,908)	(0.29)	0.00
512	225	287	0.04	0.02	5900-025-00 Other Rev>Miscellaneous	1,883	2,700	(817)	0.01	0.02
505	322	183	0.04	0.03	5900-036-00 Other Rev>Food	3,005	3,864	(859)	0.02	0.03
0	283	(283)	0.00	0.02	5900-054-00 Other Rev>Barber & Beauty	0	3,396	(3,396)	0.00	0.02
1,862	2,532	(670)	0.15	0.20	5900-087-00 Other Rev>Cable	25,546	30,384	(4,839)	0.17	0.20
114,713	19,271	95,442	11.39	1.90	5900-204-15 Other Rev>Medicaid>Other	553,102	231,252	321,850	4.47	1.93
0	261	(261)	0.00	0.03	5900-204-98 Other Rev>Medicaid>Prior Year	0	3,132	(3,132)	0.00	0.03
25,000	2,413	22,587	1.95	0.19	5900-273-00 Other Rev>Laundry	25,000	28,956	(3,956)	0.17	0.19
59,312	0	59,312	4.64	0.00	5900-294-00 Other Rev>Grant	60,558	0	60,558	0.40	0.00

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December 2014 Actual Dollars	December 2014 Budget Dollars	December Variance	December Actual PPD	December Budget PPD	(Dollars)	YTD 2014 Actual Dollars	YTD 2014 Budget Dollars	YTD Variance	YTD Actual PPD	YTD Budget PPD
3,610	3,718	(108)	0.28	0.29	5900-297-00 Other Rev>Rental Income	43,320	44,616	(1,296)	0.29	0.30
1,766	1,833	(67)	0.14	0.14	5900-577-00 Other Rev>Canteen	22,245	21,996	249	0.15	0.15
207,280	**30,858**	**176,422**	**16.20**	**2.40**	**t.5900 Other Revenue**	**690,751**	**370,296**	**320,455**	**4.59**	**2.45**
3,645,542	3,536,582	108,960	284.94	275.56	t.5 Total Revenue	41,063,440	41,374,465	(311,025)	272.65	273.80
					EXPENSES					
					Nursing Expenses					
5,928	6,309	381	0.46	0.49	6115-001-20 Gen Nsg Exp>Wages>DON	71,162	74,281	3,119	0.47	0.49
5,320	5,920	600	0.42	0.46	6115-001-21 Gen Nsg Exp>Wages>ADON	66,867	69,703	2,836	0.44	0.46
2,939	5,746	2,807	0.23	0.45	6115-001-22 Gen Nsg Exp>Wages>Supervisor	50,516	67,656	17,140	0.34	0.45
24,524	21,931	(2,593)	1.92	1.71	6115-001-23 Gen Nsg Exp>Wages>MDS Review	286,742	258,215	(28,527)	1.90	1.71
1,277	2,433	1,156	0.10	0.19	6115-001-31 Gen Nsg Exp>Wages>Administrative Support	26,912	28,649	1,737	0.18	0.19
3,915	4,316	401	0.31	0.34	6115-001-41 Gen Nsg Exp>Wages>Scheduling	85,189	50,813	(34,376)	0.57	0.34
13,663	10,528	(3,135)	1.07	0.82	6115-010-00 Gen Nsg Exp>Wages-V,H,S	129,294	126,336	(2,958)	0.86	0.84
18,864	19,408	544	1.47	1.51	6115-015-00 Gen Nsg Exp>Employee Benefits	234,844	232,896	(1,948)	1.56	1.54
4,404	4,374	(30)	0.34	0.34	6115-019-00 Gen Nsg Exp>PR Taxes	54,826	51,683	(3,143)	0.36	0.34
111	400	289	0.01	0.03	6115-022-00 Gen Nsg Exp>Supplies	111	4,800	4,689	0.00	0.03
63,077	49,556	(13,521)	4.93	3.86	6115-022-83 Gen Nsg Exp>Supplies>Medical	628,676	583,394	(45,282)	4.17	3.86
7,733	1,521	(6,212)	0.60	0.12	6115-024-00 Gen Nsg Exp>Contract Serv	21,093	18,252	(2,841)	0.14	0.12
0	202	202	0.00	0.02	6115-026-00 Gen Nsg Exp>Forms & Printing	0	2,424	2,424	0.00	0.02
1,943	3,880	1,937	0.15	0.30	6115-029-00 Gen Nsg Exp>Uniforms	48,317	46,560	(1,757)	0.32	0.31

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0	68	68	0.00	0.01	6115-031-00 Gen Nsg Exp>Travel	131	816	685	0.00	0.01
0	678	678	0.00	0.05	6115-032-00 Gen Nsg Exp>Training & Educ	5,407	8,136	2,729	0.04	0.05
0	33	33	0.00	0.00	6115-034-00 Gen Nsg Exp>Dues & Subs	0	396	396	0.00	0.00
3,226	4,853	1,627	0.25	0.38	6115-053-00 Gen Nsg Exp>Oxygen	34,545	58,236	23,691	0.23	0.39
0	117	117	0.00	0.01	6115-068-00 Gen Nsg Exp>Ads & PR	0	1,404	1,404	0.00	0.01
3,141	4,167	1,026	0.25	0.32	6115-080-00 Gen Nsg Exp>Equip-Minor	7,007	50,004	42,997	0.05	0.33
2,180	2,418	238	0.17	0.19	6115-081-00 Gen Nsg Exp>Equip-Rental	51,041	29,016	(22,025)	0.34	0.19
0	295	295	0.00	0.02	6115-104-00 Gen Nsg Exp>Resident Health & Welfare	0	3,540	3,540	0.00	0.02
162,246	**149,153**	**(13,093)**	**12.68**	**11.62**	**t.6115 General Nursing Expense**	**1,802,679**	**1,767,210**	**(35,469)**	**11.97**	**11.69**
2,313	4,442	2,129	0.18	0.35	6116-001-22 Staff Develop Exp>Wages>Supervisor	46,767	52,302	5,535	0.31	0.35
13,873	13,316	(557)	1.08	1.04	6116-001-51 Staff Develop Exp>Wages>RN	173,541	156,671	(16,870)	1.15	1.04
(270)	0	270	(0.02)	0.00	6116-001-52 Staff Develop Exp>Wages>LPN/LVN	631	0	(631)	0.00	0.00
2,699	2,338	(361)	0.21	0.18	6116-010-00 Staff Develop Exp>Wages-V,H,S	41,368	28,056	(13,312)	0.27	0.19
6,100	6,809	709	0.48	0.53	6116-015-00 Staff Develop Exp>Employee Benefits	85,953	81,708	(4,245)	0.57	0.54
1,424	1,537	113	0.11	0.12	6116-019-00 Staff Develop Exp>PR Taxes	20,066	18,129	(1,937)	0.13	0.12
0	60	60	0.00	0.00	6116-029-00 Staff Develop Exp>Uniforms	352	720	368	0.00	0.00
0	17	17	0.00	0.00	6116-031-00 Staff Develop Exp>Travel	0	204	204	0.00	0.00
0	125	125	0.00	0.01	6116-032-00 Staff Develop Exp>Training & Educ	201	1,500	1,299	0.00	0.01
0	18	18	0.00	0.00	6116-034-00 Staff Develop Exp>Dues	210	216	6	0.00	0.00
26,138	**28,662**	**2,524**	**2.04**	**2.23**	**t.6116 Staff Develop Expense**	**369,090**	**339,506**	**(29,584)**	**2.45**	**2.25**
12,760	12,150	(610)	1.00	0.95	6120-001-44 Nsg Admin Clinical Exp>Wages>Clinic	161,223	142,852	(18,371)	1.07	0.95
5,464	2,023	(3,441)	0.43	0.16	6120-010-00 Nsg Admin Clinical Exp>Wages-V,H,S	39,569	24,276	(15,293)	0.26	0.16

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5,972	4,801	(1,171)	0.47	0.37	6120-015-00 Nsg Admin Clinical Exp>Employee Benefits	65,796	57,612	(8,184)	0.44	0.38
1,394	1,084	(310)	0.11	0.08	6120-019-00 Nsg Admin Clinical Exp>PR Taxes	15,361	12,783	(2,578)	0.10	0.08
25,590	**20,058**	**(5,532)**	**2.00**	**1.56**	**t.6120 Nsg Admin Clinical Expense**	**281,948**	**237,523**	**(44,425)**	**1.87**	**1.57**
215,545	183,157	(32,388)	16.85	14.27	6216-001-51 Cert Nsg Exp>Wages>RN	2,601,023	2,146,747	(454,276)	17.27	14.21
268,533	245,658	(22,875)	20.99	19.14	6216-001-52 Cert Nsg Exp>Wages>LPN/LVN	3,249,096	2,871,819	(377,277)	21.57	19.00
482,864	505,389	22,525	37.74	39.38	6216-001-53 Cert Nsg Exp>Wages>Aides	5,483,336	5,938,628	455,292	36.41	39.30
163,171	164,152	981	12.75	12.79	6216-010-00 Cert Nsg Exp>Wages-V,H,S	1,585,004	1,969,824	384,820	10.52	13.04
1,103	3,000	1,897	0.09	0.23	6216-012-52 Cert Nsg Exp>Agency>LPN/LVN	17,952	36,000	18,048	0.12	0.24
9,636	21,333	11,697	0.75	1.66	6216-012-53 Cert Nsg Exp>Agency>Aides	195,159	255,996	60,837	1.30	1.69
365,340	371,334	5,994	28.56	28.93	6216-015-00 Cert Nsg Exp>Employee Benefits	4,235,736	4,456,008	220,272	28.12	29.49
85,291	84,025	(1,266)	6.67	6.55	6216-019-00 Cert Nsg Exp>PR Taxes	992,501	988,925	(3,576)	6.59	6.54
1,591,485	**1,578,048**	**(13,437)**	**124.39**	**122.96**	**t.6216 Certified Nursing Expense**	**18,359,807**	**18,663,947**	**304,140**	**121.91**	**123.51**
1,805,459	**1,775,921**	**(29,538)**	**141.12**	**138.38**	**t.610 Total Nursing Expenses**	**20,813,524**	**21,008,186**	**194,662**	**138.20**	**139.03**
2,174	2,123	(51)	0.17	0.17	6800-001-00 Physician Services Exp>Wages	25,597	24,999	(598)	0.17	0.17
712	718	6	0.06	0.06	6800-015-00 Physician Services Exp>Employee Benefits	8,388	8,616	228	0.06	0.06
166	162	(4)	0.01	0.01	6800-019-00 Physician Services Exp>PR Taxes	1,958	1,909	(49)	0.01	0.01
4,188	3,450	(738)	0.33	0.27	6800-024-00 Physician Services Exp>Contract Serv	38,723	41,400	2,677	0.26	0.27
9,831	12,597	2,766	0.77	0.98	6801-001-00 Medical Services Exp>Wages	160,193	148,321	(11,872)	1.06	0.98
5,767	3,009	(2,758)	0.45	0.23	6801-010-00 Medical Services Exp>Wages-V,H.S	31,160	36,108	4,948	0.21	0.24
5,111	5,298	187	0.40	0.41	6801-015-00 Medical Services Exp>Employee Benefits	62,703	63,576	873	0.42	0.42

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1,193	1,194	1	0.09	0.09	6801-019-00 Medical Services Exp>PR Taxes	14,639	14,111	(528)	0.10	0.09
0	25	25	0.00	0.00	6801-022-00 Medical Services Exp>Supplies	0	300	300	0.00	0.00
79	8	(71)	0.01	0.00	6801-031-00 Medical Services Exp>Travel	109	96	(13)	0.00	0.00
65	17	(48)	0.01	0.00	6801-032-00 Medical Services Exp>Training & Educ	165	204	39	0.00	0.00
0	15	15	0.00	0.00	6801-034-00 Medical Services Exp>Dues & Subs	185	180	(5)	0.00	0.00
3,081	2,917	(164)	0.24	0.23	6812-024-00 Pharmacy Exp>Contract Serv	36,155	35,004	(1,151)	0.24	0.23
1,868	0	(1,868)	0.15	0.00	6812-050-00 Pharmacy Exp>RX	60,544	0	(60,544)	0.40	0.00
2,629	3,333	704	0.21	0.26	6812-051-00 Pharmacy Exp>OTC	36,563	39,996	3,433	0.24	0.26
37,947	44,938	6,991	56.05	55.75	6812-201-00 Pharmacy Exp>Medicare A	347,113	529,107	181,994	50.18	55.75
45,525	**51,188**	**5,663**	**3.56**	**3.99**	**t.6812 Pharmacy Expense**	**480,374**	**604,107**	**123,733**	**3.19**	**4.00**
827	1,333	506	0.06	0.10	6813-022-00 IV Exp>Supplies	22,972	15,996	(6,976)	0.15	0.11
827	**1,333**	**506**	**0.06**	**0.10**	**t.6813 IV Expense**	**22,972**	**15,996**	**(6,976)**	**0.15**	**0.11**
3,905	2,379	(1,526)	0.31	0.19	6825-024-00 Speech Therapy Exp>Contract Serv	27,701	28,014	313	0.18	0.19
19,318	32,734	13,416	1.51	2.55	6825-024-80 Speech Therapy Exp>Contract Serv>Fee Schedule	284,318	385,416	101,098	1.89	2.55
6,959	9,567	2,608	0.54	0.75	6825-024-81 Speech Therapy Exp>Contract Serv>Per Minute Charge	69,455	112,646	43,191	0.46	0.75
30,181	**44,680**	**14,499**	**2.36**	**3.48**	**t.6825 Speech Therapy Expense**	**381,474**	**526,076**	**144,602**	**2.53**	**3.48**
178	1,592	1,414	0.01	0.12	6826-022-00 Physical Therapy Exp>Supplies	16,304	19,104	2,800	0.11	0.13
2,534	2,231	(303)	0.20	0.17	6826-024-00 Physical Therapy Exp>Contract Serv	56,843	26,268	(30,575)	0.38	0.17
33,332	30,867	(2,465)	2.61	2.41	6826-024-80 Physical Therapy Exp>Contract Serv>Fee Schedule	326,976	363,437	36,461	2.17	2.41
21,309	26,479	5,170	1.67	2.06	6826-024-81 Physical Therapy Exp>Contract Serv>Per Minute Charge	216,084	311,770	95,686	1.43	2.06

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0	31	31	0.00	0.00	6826-029-00 Physical Therapy Exp>Uniforms	0	372	372	0.00	0.00
57,353	**61,200**	**3,847**	**4.48**	**4.77**	**t.6826 Physical Therapy Expense**	**616,207**	**720,951**	**104,744**	**4.09**	**4.77**
3,370	2,228	(1,142)	0.26	0.17	6827-024-00 Occup Therapy Exp>Contract Serv	46,748	26,232	(20,516)	0.31	0.17
29,233	42,285	13,052	2.28	3.29	6827-024-80 Occup Therapy Exp>Contract Serv>Fee Schedule	327,563	497,867	170,304	2.17	3.29
23,316	34,162	10,846	1.82	2.66	6827-024-81 Occup Therapy Exp>Contract Serv>Per Minute Charge	254,446	402,230	147,784	1.69	2.66
55,919	**78,675**	**22,756**	**4.37**	**6.13**	**t.6827 Occup Therapy Expense**	**628,757**	**926,329**	**297,572**	**4.17**	**6.13**
143,453	**184,555**	**41,102**	**(11.21)**	**(14.38)**	**t.682 Total Therapy Expenses**	**1,626,438**	**2,173,356**	**546,918**	**(10.80)**	**(14.38)**
					Other Ancillary Expenses					
582	2,730	2,148	0.05	0.21	6857-000-00 Radiology Exp	17,663	32,144	14,481	0.12	0.21
582	**2,730**	**2,148**	**0.05**	**0.21**	**t.6857 Radiology Expense**	**17,663**	**32,144**	**14,481**	**0.12**	**0.21**
2,158	4,490	2,332	0.17	0.35	6858-000-00 Lab Exp	25,474	52,865	27,391	0.17	0.35
2,158	**4,490**	**2,332**	**0.17**	**0.35**	**t.6858 Lab Expense**	**25,474**	**52,865**	**27,391**	**0.17**	**0.35**
6,828	7,713	885	0.53	0.60	6859-001-33 Other Ancillary Exp>Wages>Central Supply	92,249	90,814	(1,435)	0.61	0.60
2,885	1,953	(932)	0.23	0.15	6859-010-00 Other Ancillary Exp>Wages-V,H,S	19,223	23,436	4,213	0.13	0.16
3,183	3,282	99	0.25	0.26	6859-015-00 Other Ancillary Exp>Employee Benefits	36,527	39,384	2,857	0.24	0.26
743	739	(4)	0.06	0.06	6859-019-00 Other Ancillary Exp>PR Taxes	8,932	8,735	(197)	0.06	0.06
0	22	22	0.00	0.00	6859-024-00 Other Ancillary Exp>Contract Serv	236	264	28	0.00	0.00
0	46	46	0.00	0.00	6859-029-00 Other Ancillary Exp>Uniforms	270	552	282	0.00	0.00
13,639	**13,755**	**116**	**1.07**	**1.07**	**t.6859 Other Ancillary Expense**	**157,437**	**163,185**	**5,748**	**1.05**	**1.08**

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4,764	6,303	1,539	0.37	0.49	6870-001-00 Barber & Beauty Exp>Wages	74,933	74,214	(719)	0.50	0.49
2,704	1,065	(1,639)	0.21	0.08	6870-010-00 Barber & Beauty Exp>Wages-V,H,S	14,539	12,780	(1,759)	0.10	0.08
2,447	2,499	52	0.19	0.19	6870-015-00 Barber & Beauty Exp>Employee Benefits	29,318	29,988	670	0.19	0.20
571	564	(7)	0.04	0.04	6870-019-00 Barber & Beauty Exp>PR Taxes	6,845	6,657	(188)	0.05	0.04
742	1,842	1,100	0.06	0.14	6870-022-00 Barber & Beauty Exp>Supplies	5,642	22,104	16,462	0.04	0.15
81	44	(37)	0.01	0.00	6870-029-00 Barber & Beauty Exp>Uniforms	531	528	(3)	0.00	0.00
1,178	417	(761)	0.09	0.03	6870-577-00 Barber & Beauty Exp>Canteen	17,654	5,004	(12,650)	0.12	0.03
12,488	**12,734**	**246**	**0.98**	**0.99**	**t.6870 Barber & Beauty Expense**	**149,462**	**151,275**	**1,813**	**0.99**	**1.00**
28,866	**33,709**	**4,843**	**(2.26)**	**(2.63)**	**t.6850a Total Other Ancillary Expenses**	**350,037**	**399,469**	**49,432**	**(2.32)**	**(2.64)**
247,957	299,401	51,444	19.38	23.33	t.68 Total Ancillary Expenses	2,823,640	3,532,748	709,108	18.75	23.38
					Other Operating Expenses					
19,636	24,700	5,064	1.53	1.92	7714-001-00 Activity Exp>Wages	268,628	291,186	22,558	1.78	1.93
7,961	4,523	(3,438)	0.62	0.35	7714-010-00 Activity Exp>Wages-V,H,S	46,231	54,276	8,045	0.31	0.36
9,043	9,924	881	0.71	0.77	7714-015-00 Activity Exp>Employee Benefits	103,174	119,088	15,914	0.69	0.79
2,111	2,236	125	0.17	0.17	7714-019-00 Activity Exp>PR Taxes	24,193	26,433	2,240	0.16	0.17
0	191	191	0.00	0.01	7714-033-00 Activity Exp>Meals & Ent	2,264	2,292	28	0.02	0.02
0	12	12	0.00	0.00	7714-034-00 Activity Exp>Dues & Subs	143	144	1	0.00	0.00
0	167	167	0.00	0.01	7714-048-00 Activity Exp>Crafts	1,324	2,004	680	0.01	0.01
38,751	**41,753**	**3,002**	**3.03**	**3.25**	**t.7714 Activity Expense**	**445,958**	**495,423**	**49,465**	**2.96**	**3.28**

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5,595	5,596	1	0.44	0.44	7715-024-00 Volunteer Exp>Contract Serv	67,176	67,152	(24)	0.45	0.44
1,100	125	(975)	0.09	0.01	7715-070-00 Volunteer Exp>Special Events	1,924	1,500	(424)	0.01	0.01
6,695	**5,721**	**(974)**	**0.52**	**0.45**	**t.7715 Volunteer Expense**	**69,100**	**68,652**	**(448)**	**0.46**	**0.45**
12,307	13,900	1,593	0.96	1.08	7741-001-00 Social Services Exp>Wages	167,710	163,658	(4,052)	1.11	1.08
3,913	2,198	(1,715)	0.31	0.17	7741-010-00 Social Services Exp>Wages-V,H,S	24,501	26,376	1,875	0.16	0.17
5,315	5,459	144	0.42	0.43	7741-015-00 Social Services Exp>Employee Benefits	62,984	65,508	2,524	0.42	0.43
1,241	1,231	(10)	0.10	0.10	7741-019-00 Social Services Exp>PR Taxes	14,704	14,534	(170)	0.10	0.10
0	8	8	0.00	0.00	7741-031-00 Social Services Exp>Travel	0	96	96	0.00	0.00
22,776	**22,796**	**20**	**1.78**	**1.78**	**t.7741 Social Services Expense**	**269,899**	**270,172**	**273**	**1.79**	**1.79**
95,740	103,819	8,079	7.48	8.09	7930-001-00 Dietary Exp>Wages	1,159,263	1,222,091	62,828	7.70	8.09
14,775	14,072	(703)	1.15	1.10	7930-010-00 Dietary Exp>Wages-V,H,S	159,640	168,864	9,224	1.06	1.12
35,951	39,956	4,005	2.81	3.11	7930-015-00 Dietary Exp>Employee Benefits	432,288	479,472	47,184	2.87	3.17
8,393	9,019	626	0.66	0.70	7930-019-00 Dietary Exp>PR Taxes	100,917	106,409	5,492	0.67	0.70
6,228	5,640	(588)	0.49	0.44	7930-022-00 Dietary Exp>Supplies	68,266	66,463	(1,803)	0.45	0.44
1,317	1,797	480	0.10	0.14	7930-022-84 Dietary Exp>Supplies>Chemicals	14,135	21,158	7,023	0.09	0.14
0	500	500	0.00	0.04	7930-023-00 Dietary Exp>Repairs & Maint	0	6,000	6,000	0.00	0.04
55,417	56,525	1,108	4.33	4.40	7930-024-00 Dietary Exp>Contract Serv	665,520	678,300	12,780	4.42	4.49
263	515	252	0.02	0.04	7930-029-00 Dietary Exp>Uniforms	6,805	6,180	(625)	0.05	0.04
0	30	30	0.00	0.00	7930-032-00 Dietary Exp>Training & Educ	0	360	360	0.00	0.00
4,087	5,262	1,175	0.32	0.41	7930-035-00 Dietary Exp>Supplements	63,850	61,955	(1,895)	0.42	0.41
62,248	70,074	7,826	4.87	5.46	7930-036-00 Dietary Exp>Food	827,816	825,062	(2,754)	5.50	5.46
2,270	1,283	(987)	0.18	0.10	7930-080-00 Dietary Exp>Equip-Minor	2,634	15,108	12,474	0.02	0.10

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286,688	**308,492**	**21,804**	**22.41**	**24.04**	**t.7930 Dietary Expense**	**3,501,135**	**3,657,422**	**156,287**	**23.25**	**24.20**
11,884	14,950	3,066	0.93	1.16	8010-001-61 Admin Exp>Wages>Office	169,673	175,866	6,193	1.13	1.16
6,187	2,144	(4,043)	0.48	0.17	8010-010-00 Admin Exp>Wages-V,H,S	30,548	25,728	(4,820)	0.20	0.17
5,921	5,791	(130)	0.46	0.45	8010-015-00 Admin Exp>Employee Benefits	65,609	69,492	3,883	0.44	0.46
69,769	69,672	(97)	5.45	5.43	8010-017-00 Admin Exp>Workers Comp	838,027	836,064	(1,963)	5.56	5.53
1,382	1,308	(74)	0.11	0.10	8010-019-00 Admin Exp>PR Taxes	15,871	15,424	(447)	0.11	0.10
1,193	3,250	2,057	0.09	0.25	8010-022-00 Admin Exp>Supplies	26,067	39,000	12,933	0.17	0.26
18,618	19,083	465	1.46	1.49	8010-024-91 Admin Exp>Contract Serv>CHR - East	223,416	227,973	4,557	1.48	1.51
0	8	8	0.00	0.00	8010-026-00 Admin Exp>Forms & Printing	0	96	96	0.00	0.00
0	238	238	0.00	0.02	8010-034-00 Admin Exp>Dues & Subs	9,527	2,856	(6,671)	0.06	0.02
0	143	143	0.00	0.01	8010-057-00 Admin Exp>Professional Fees	603	1,716	1,113	0.00	0.01
7,852	5,487	(2,365)	0.61	0.43	8010-061-00 Admin Exp>IT Fees	97,100	65,844	(31,256)	0.64	0.44
280	205	(75)	0.02	0.02	8010-068-00 Admin Exp>Ads & PR	4,445	2,460	(1,985)	0.03	0.02
100	454	354	0.01	0.04	8010-069-00 Admin Exp>Licenses	(3,355)	5,448	8,803	(0.02)	0.04
156	760	604	0.01	0.06	8010-074-00 Admin Exp>Postage	707	9,120	8,413	0.00	0.06
960	67	(893)	0.08	0.01	8010-080-00 Admin Exp>Equip-Minor	2,188	804	(1,384)	0.01	0.01
124,302	**123,560**	**(742)**	**9.72**	**9.63**	**t.8010 Admin Expense**	**1,480,428**	**1,477,891**	**(2,537)**	**9.83**	**9.78**
6,630	8,077	1,447	0.52	0.63	8011-001-00 Admissions Exp>Wages	70,248	95,098	24,850	0.47	0.63
3,246	848	(2,398)	0.25	0.07	8011-010-00 Admissions Exp>Wages-V,H,S	14,214	10,176	(4,038)	0.09	0.07
3,236	3,024	(212)	0.25	0.24	8011-015-00 Admissions Exp>Employee Benefits	27,677	36,288	8,611	0.18	0.24
756	683	(73)	0.06	0.05	8011-019-00 Admissions Exp>PR Taxes	6,461	8,056	1,595	0.04	0.05
241	208	(33)	0.02	0.02	8011-031-00 Admissions Exp>Travel	726	2,496	1,770	0.00	0.02

Berks Heim
Detail Income Statement - Actual versus Budget
YTD ending December, 2014
Unaudited

December						YTD				
2014 Actual Dollars	2014 Budget Dollars	Variance	Actual PPD	Budget PPD	(Dollars)	2014 Actual Dollars	2014 Budget Dollars	Variance	Actual PPD	Budget PPD
1,332	2,241	909	0.10	0.17	8011-068-00 Admissions Exp>Ads & PR	11,178	26,892	15,714	0.07	0.18
0	9	9	0.00	0.00	8011-080-00 Admissions Exp>Equip-Minor	0	108	108	0.00	0.00
15,441	**15,090**	**(351)**	**1.21**	**1.18**	**t.8011 Admissions Expense**	**130,504**	**179,114**	**48,610**	**0.87**	**1.19**
5,000	5,917	917	0.39	0.46	8012-001-00 Human Resources Exp>Wages	68,207	69,668	1,461	0.45	0.46
2,009	1,068	(941)	0.16	0.08	8012-010-00 Human Resources Exp>Wages-V,H,S	16,522	12,816	(3,706)	0.11	0.08
2,297	2,370	73	0.18	0.18	8012-015-00 Human Resources Exp>Employee Benefits	27,764	28,440	676	0.18	0.19
536	534	(2)	0.04	0.04	8012-019-00 Human Resources Exp>PR Taxes	6,482	6,309	(173)	0.04	0.04
60	95	35	0.00	0.01	8012-024-00 Human Resources Exp>Contract Serv	828	1,140	313	0.01	0.01
30	11	(19)	0.00	0.00	8012-031-00 Human Resources Exp>Travel	84	132	48	0.00	0.00
0	5	5	0.00	0.00	8012-032-00 Human Resources Exp>Training & Educ	0	60	60	0.00	0.00
9,932	**10,000**	**68**	**0.78**	**0.78**	**t.8012 Human Resources**	**119,888**	**118,565**	**(1,323)**	**0.80**	**0.78**
12,977	15,697	2,720	1.01	1.22	8016-001-61 Financial Admin Exp>Wages>Office	181,424	184,821	3,397	1.20	1.22
4,886	2,103	(2,783)	0.38	0.16	8016-010-00 Financial Admin Exp>Wages-V,H,S	30,556	25,236	(5,320)	0.20	0.17
5,853	6,034	181	0.46	0.47	8016-015-00 Financial Admin Exp>Employee Benefits	69,462	72,408	2,946	0.46	0.48
1,367	1,362	(5)	0.11	0.11	8016-019-00 Financial Admin Exp>PR Taxes	16,216	16,071	(145)	0.11	0.11
0	42	42	0.00	0.00	8016-022-00 Financial Admin Exp>Supplies	0	504	504	0.00	0.00
172	0	(172)	0.01	0.00	8016-024-00 Financial Admin Exp>Contract Serv	2,900	0	(2,900)	0.02	0.00
0	42	42	0.00	0.00	8016-031-00 Financial Admin Exp>Travel	0	504	504	0.00	0.00
0	42	42	0.00	0.00	8016-032-00 Financial Admin Exp>Training & Educ	75	504	429	0.00	0.00
0	448	448	0.00	0.03	8016-080-00 Financial Admin Exp>Equip-Minor	0	9,482	9,482	0.00	0.06
0	289	289	0.00	0.02	8016-081-00 Financial Admin Exp>Equip-Rental	0	3,468	3,468	0.00	0.02
25,255	**26,059**	**804**	**1.97**	**2.03**	**t.8016 Financial Admin Expense**	**300,633**	**312,998**	**12,365**	**2.00**	**2.07**

Berks Heim
Detail Income Statement - Actual versus Budget
YTD ending December, 2014
Unaudited

December 2014 Actual Dollars	December 2014 Budget Dollars	December Variance	December Actual PPD	December Budget PPD	(Dollars)	YTD 2014 Actual Dollars	YTD 2014 Budget Dollars	YTD Variance	YTD Actual PPD	YTD Budget PPD
20,488	24,620	4,132	1.60	1.92	8250-001-00 Maintenance Exp>Wages	265,649	290,029	24,380	1.76	1.92
7,891	3,511	(4,380)	0.62	0.27	8250-010-00 Maintenance Exp>Wages-V,H,S	35,656	42,132	6,476	0.24	0.28
9,299	9,542	243	0.73	0.74	8250-015-00 Maintenance Exp>Employee Benefits	97,950	114,504	16,554	0.65	0.76
2,171	2,152	(19)	0.17	0.17	8250-019-00 Maintenance Exp>PR Taxes	22,876	25,411	2,535	0.15	0.17
11,603	10,250	(1,353)	0.91	0.80	8250-022-00 Maintenance Exp>Supplies	130,717	123,000	(7,717)	0.87	0.81
213	120	(93)	0.02	0.01	8250-023-00 Maintenance Exp>Repairs & Maint	5,733	1,440	(4,293)	0.04	0.01
7,155	7,168	13	0.56	0.56	8250-024-00 Maintenance Exp>Contract Serv	74,594	86,016	11,422	0.50	0.57
140	139	(1)	0.01	0.01	8250-029-00 Maintenance Exp>Uniforms	1,041	1,668	627	0.01	0.01
237	175	(62)	0.02	0.01	8250-043-00 Maintenance Exp>Landscaping	1,818	2,100	282	0.01	0.01
0	0	0	0.00	0.00	8250-067-00 Maintenance Exp>Hiring	166	0	(166)	0.00	0.00
242	323	81	0.02	0.03	8250-080-00 Maintenance Exp>Equip-Minor	4,153	6,876	2,723	0.03	0.05
0	184	184	0.00	0.01	8250-279-00 Maintenance Exp>Transportation	0	2,208	2,208	0.00	0.01
59,439	**58,184**	**(1,255)**	**4.65**	**4.53**	**t.8250 Maintenance Expense**	**640,355**	**695,384**	**55,029**	**4.25**	**4.60**
0	0	0	0.00	0.00	8260-015-00 Security Exp>Employee Benefits	500	0	(500)	0.00	0.00
0	40	40	0.00	0.00	8260-022-00 Security Exp>Supplies	399	480	81	0.00	0.00
17,250	19,572	2,322	1.35	1.53	8260-024-00 Security Exp>Contract Serv	224,562	234,864	10,302	1.49	1.55
(603)	0	603	(0.05)	0.00	8260-080-00 Security Exp>Equip-Minor	0	0	0	0.00	0.00
28	5	(23)	0.00	0.00	8260-081-00 Security Exp>Equip-Rental	112	60	(52)	0.00	0.00
963	1,915	952	0.08	0.15	8260-279-00 Security Exp>Transportation	19,498	22,980	3,482	0.13	0.15
17,638	**21,532**	**3,894**	**1.38**	**1.68**	**t.8260 Security Expense**	**245,071**	**258,384**	**13,313**	**1.63**	**1.71**
59,204	68,811	9,607	4.63	5.36	8340-001-00 Housekeeping Exp>Wages	727,197	810,019	82,822	4.83	5.36

Berks Heim
Detail Income Statement - Actual versus Budget
YTD ending December, 2014
Unaudited

December 2014 Actual Dollars	December 2014 Budget Dollars	December Variance	December Actual PPD	December Budget PPD	(Dollars)	YTD 2014 Actual Dollars	YTD 2014 Budget Dollars	YTD Variance	YTD Actual PPD	YTD Budget PPD
16,615	10,863	(5,752)	1.30	0.85	8340-010-00 Housekeeping Exp>Wages-V,H,S	134,451	130,356	(4,095)	0.89	0.86
24,789	27,013	2,224	1.94	2.10	8340-015-00 Housekeeping Exp>Employee Benefits	282,583	324,156	41,573	1.88	2.15
5,787	6,095	308	0.45	0.47	8340-019-00 Housekeeping Exp>PR Taxes	66,279	71,937	5,658	0.44	0.48
5,460	7,114	1,654	0.43	0.55	8340-022-00 Housekeeping Exp>Supplies	82,758	83,759	1,001	0.55	0.55
34,851	34,390	(461)	2.72	2.68	8340-024-00 Housekeeping Exp>Contract Serv	417,331	412,680	(4,651)	2.77	2.73
180	384	204	0.01	0.03	8340-029-00 Housekeeping Exp>Uniforms	4,095	4,608	513	0.03	0.03
2,848	2,777	(71)	0.22	0.22	8340-040-00 Housekeeping Exp>Sanitation & Incineration	28,477	33,324	4,847	0.19	0.22
140	176	36	0.01	0.01	8340-041-00 Housekeeping Exp>Extermination	1,625	2,112	487	0.01	0.01
0	3,750	3,750	0.00	0.29	8340-080-00 Housekeeping Exp>Equip-Minor	0	45,000	45,000	0.00	0.30
149,874	**161,373**	**11,499**	**11.71**	**12.57**	**t.8340 Housekeeping Expense**	**1,744,797**	**1,917,951**	**173,154**	**11.59**	**12.69**
30,218	27,666	(2,552)	2.36	2.16	8360-001-00 Laundry Exp>Wages	347,887	325,579	(22,308)	2.31	2.15
8,141	4,373	(3,768)	0.64	0.34	8360-010-00 Laundry Exp>Wages-V,H,S	61,646	52,476	(9,170)	0.41	0.35
12,570	10,860	(1,710)	0.98	0.85	8360-015-00 Laundry Exp>Employee Benefits	134,644	130,320	(4,324)	0.89	0.86
2,934	2,451	(483)	0.23	0.19	8360-019-00 Laundry Exp>PR Taxes	31,846	28,922	(2,924)	0.21	0.19
3,346	1,833	(1,513)	0.26	0.14	8360-022-00 Laundry Exp>Supplies	21,834	21,996	162	0.14	0.15
2,617	2,500	(117)	0.20	0.19	8360-022-84 Laundry Exp>Supplies>Chemicals	23,170	30,000	6,830	0.15	0.20
0	1,042	1,042	0.00	0.08	8360-023-00 Laundry Exp>Repairs & Maint	0	12,504	12,504	0.00	0.08
100	2,083	1,983	0.01	0.16	8360-024-00 Laundry Exp>Contract Serv	9,459	24,996	15,537	0.06	0.17
1,672	3,060	1,388	0.13	0.24	8360-038-00 Laundry Exp>Linens	37,249	36,720	(529)	0.25	0.24
61,598	**55,868**	**(5,730)**	**4.81**	**4.35**	**t.8360 Laundry Expense**	**667,734**	**663,513**	**(4,221)**	**4.43**	**4.39**
16,315	16,615	300	1.28	1.29	8410-000-00 Bad Debt Exp	188,838	194,053	5,215	1.25	1.28
16,315	**16,615**	**300**	**1.28**	**1.29**	**t.8410 Bad Debt Expense**	**188,838**	**194,053**	**5,215**	**1.25**	**1.28**

Berks Heim
Detail Income Statement - Actual versus Budget
YTD ending December, 2014
Unaudited

2014 Actual Dollars	2014 Budget Dollars	December Variance	Actual PPD	Budget PPD	(Dollars)	2014 Actual Dollars	2014 Budget Dollars	YTD Variance	Actual PPD	Budget PPD
2,041	1,941	(100)	0.16	0.15	8510-062-00 Telephone & Utility Exp>Telephone	18,408	23,292	4,884	0.12	0.15
0	275	275	0.00	0.02	8510-083-00 Telephone & Utility Exp>Oil	0	3,300	3,300	0.00	0.02
23,451	12,719	(10,732)	1.83	0.99	8510-084-00 Telephone & Utility Exp>Gas	308,955	267,323	(41,632)	2.05	1.77
21,282	32,909	11,627	1.66	2.56	8510-085-00 Telephone & Utility Exp>Electric	299,539	334,646	35,107	1.99	2.21
8,849	4,420	(4,429)	0.69	0.34	8510-086-00 Telephone & Utility Exp>Water/Sewer	105,150	90,045	(15,105)	0.70	0.60
2,088	2,145	57	0.16	0.17	8510-087-00 Telephone & Utility Exp>Cable	24,948	25,742	794	0.17	0.17
57,711	**54,409**	**(3,302)**	**4.51**	**4.24**	**t.8510 Telephone & Utility Expense**	**757,001**	**744,348**	**(12,653)**	**5.03**	**4.93**
16,407	19,806	3,399	1.28	1.54	8776-110-00 Business Insurance Exp>Liability & Other	206,002	237,672	31,670	1.37	1.57
16,407	**19,806**	**3,399**	**1.28**	**1.54**	**t.8776 Business Insurance Expense**	**206,002**	**237,672**	**31,670**	**1.37**	**1.57**
27,000	27,000	0	2.11	2.10	8910-090-00 Management Fees>Management Fees	321,000	324,000	3,000	2.13	2.14
27,000	**27,000**	**0**	**2.11**	**2.10**	**t.8910 Management Fees**	**321,000**	**324,000**	**3,000**	**2.13**	**2.14**
81,718	81,718	0	6.39	6.37	8912-000-00 Indirect Costs	980,616	980,616	0	6.51	6.49
81,718	**81,718**	**0**	**6.39**	**6.37**	**t.8912 Indirect Costs**	**980,616**	**980,616**	**0**	**6.51**	**6.49**
95,912	95,764	(148)	7.50	7.46	9176-284-00 Taxes Exp>Assessment Tax	1,167,005	1,139,802	(27,203)	7.75	7.54
95,912	**95,764**	**(148)**	**7.50**	**7.46**	**t.9176 Taxes Expense**	**1,167,005**	**1,139,802**	**(27,203)**	**7.75**	**7.54**
1,113,450	**1,145,740**	**32,290**	**87.03**	**89.27**	**t.770 Total Other Operating Expenses**	**13,235,963**	**13,735,960**	**499,997**	**87.88**	**90.90**

Berks Heim
Detail Income Statement - Actual versus Budget
YTD ending December, 2014
Unaudited

December						YTD				
2014 Actual Dollars	2014 Budget Dollars	Variance	Actual PPD	Budget PPD	(Dollars)	2014 Actual Dollars	2014 Budget Dollars	Variance	Actual PPD	Budget PPD
3,166,866	3,221,062	54,196	247.53	250.98	t.60 Total Operating Expenses	36,873,127	38,276,894	1,403,767	244.83	253.30
478,676	315,520	163,156	37.41	24.58	t.IncOper.EBITDAR Earnings (Loss) before Rent	4,190,313	3,097,571	1,092,742	27.82	20.50
478,676	315,520	163,156	37.41	24.58	t.IncOper.EBITDA Earnings (Loss) after Rent	4,190,313	3,097,571	1,092,742	27.82	20.50
					Other (Income)/Expense					
78,853	78,536	(317)	6.16	6.12	9576-602-00 Depreciation Exp>Bldng & Improvements	947,203	942,432	(4,771)	6.29	6.24
29,413	29,363	(50)	2.30	2.29	9576-604-00 Depreciation Exp>Equip-Fixed	354,524	352,356	(2,168)	2.35	2.33
1,788	3,153	1,365	0.14	0.25	9576-605-00 Depreciation Exp>Equip-Moveable	32,294	37,836	5,542	0.21	0.25
1,328	2,764	1,436	0.10	0.22	9576-606-00 Depreciation Exp>Equip-Transportation	30,637	33,168	2,531	0.20	0.22
111,383	**113,816**	**2,433**	**8.71**	**8.87**	**t.9576 Depreciation Expense**	**1,364,658**	**1,365,792**	**1,134**	**9.06**	**9.04**
111,383	**113,816**	**2,433**	**8.71**	**8.87**	**t.947 Amortization & Depreciation Expense**	**1,364,658**	**1,365,792**	**1,134**	**9.06**	**9.04**
0	(452)	(452)	0.00	(0.04)	9776-265-00 Interest(Inc)/Exp>Income	(41)	(5,424)	(5,383)	0.00	(0.04)
52,175	75,248	23,073	4.08	5.86	9776-791-00 Interest(Inc)/Exp>Bonds	606,521	893,271	286,750	4.03	5.91
52,175	**74,796**	**22,621**	**4.08**	**5.83**	**t.9776 Interest(Inc)/Expense**	**606,480**	**887,847**	**281,367**	**4.03**	**5.88**
163,558	**188,612**	**25,054**	**12.78**	**14.70**	**t.Oth.IncExp Total Other (Income)/Expense**	**1,971,138**	**2,253,639**	**282,501**	**13.09**	**14.91**
315,118	126,908	188,210	24.63	9.89	t.IncNet Total Net Income	2,219,175	843,932	1,375,243	14.73	5.58

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Actual: Year End 2014

Revenue (2014 year end)

	Dollars	% of Revenue	Revenue PPD	670 Beds @ 365 Days
Medical Assistance	$ 42,674,575	68.71%	$ 189.66	
Medicare	$ 7,417,265	11.94%	$ 32.97	
Private Pay	$ 4,551,865	7.33%	$ 20.23	
Private Insurance	$ 609,026	0.98%	$ 2.71	
Patient Payments-LTC	$ 6,628,668	10.67%	$ 29.46	
Meal Reimbursement	$ 77,057.14	0.12%	$ 0.34	
Other	$ 152,017	0.24%	$ 0.68	
Grand Total Revenue:	$ 62,110,474	100.00%	$ 276.05	225,000

*total verified by Fiscal Office

Expenses (2014 year end)

Expenses	Total	PPD Exp/billable day	% of Expense	Personnel	PPD Exp/billable day	% of Total Expense	General Expense	PPD Exp/billable day	% of Total Expense
Nursing	$ 21,301,779	$ 94.67	31.90%	$ 20,576,322	$ 91.45	30.81%	$ 725,456	$ 3.22	1.09%
Central Services	$ 1,603,651	$ 7.13	2.40%	$ 201,669	$ 0.90	0.30%	$ 1,401,982	$ 6.23	2.10%
Social Services	$ 723,338	$ 3.21	1.08%	$ 712,339	$ 3.17	1.07%	$ 10,998	$ 0.05	0.02%
Nursing Office	$ 2,984,727	$ 13.27	4.47%	$ 2,956,120	$ 13.14	4.43%	$ 28,607	$ 0.13	0.04%
Educational Services	$ 272,683	$ 1.21	0.41%	$ 264,678	$ 1.18	0.40%	$ 8,005	$ 0.04	0.01%
Resident Assessment	$ 784,653	$ 3.49	1.18%	$ 704,215	$ 3.13	1.05%	$ 80,438	$ 0.36	0.12%
Medical Records	$ 112,470	$ 0.50	0.17%	$ 105,576	$ 0.47	0.16%	$ 6,895	$ 0.03	0.01%
Physical Therapy	$ 1,293,408	$ 5.75	1.94%	$ 41,783	$ 0.19	0.06%	$ 1,251,626	$ 5.56	1.87%
Occupational Therapy	$ 1,259,839	$ 5.60	1.89%	$ -	$ -	0.00%	$ 1,259,839	$ 5.60	1.89%
Barber/Beauty	$ 147,515	$ 0.66	0.22%	$ -	$ -	0.00%	$ 147,515	$ 0.66	0.22%
Speech Therapy	$ 756,493	$ 3.36	1.13%	$ -	$ -	0.00%	$ 756,493	$ 3.36	1.13%
Therapeutic Recreation	$ 1,044,330	$ 4.64	1.56%	$ 1,019,784	$ 4.53	1.53%	$ 24,546	$ 0.11	0.04%
Pharmacy	$ 1,137,608	$ 5.06	1.70%	$ -	$ -	0.00%	$ 1,137,608	$ 5.06	1.70%
Administration	$ 4,052,056	$ 18.01	6.07%	$ 247,089	$ 1.10	0.37%	$ 3,804,967	$ 16.91	5.70%
Facilities	$ 2,465,012	$ 10.96	3.69%	$ 997,653	$ 4.43	1.49%	$ 1,467,359	$ 6.52	2.20%
Human Resources	$ 363,352	$ 1.61	0.54%	$ 316,867	$ 1.41	0.47%	$ 46,485	$ 0.21	0.07%
Pension	$ 2,977,164	$ 13.23	4.46%	$ 2,977,164	$ 13.23	4.46%	$ -	$ -	0.00%
Other Benefits	$ 7,740,554	$ 34.40	11.59%	$ 7,740,554	$ 34.40	11.59%	$ -	$ -	0.00%
Finance	$ 548,242	$ 2.44	0.82%	$ 535,297	$ 2.38	0.80%	$ 12,945	$ 0.06	0.02%
Security	$ 34,821	$ 0.15	0.05%	$ 34,821	$ 0.15	0.05%	$ -	$ -	0.00%
Laundry/Linen	$ 1,047,082	$ 4.65	1.57%	$ 303,274	$ 1.35	0.45%	$ 743,808	$ 3.31	1.11%
Environmental	$ 2,210,815	$ 9.83	3.31%	$ 2,061,215	$ 9.16	3.09%	$ 149,600	$ 0.66	0.22%
Dining Services	$ 5,647,795	$ 25.10	8.46%	$ -	$ -	0.00%	$ 5,647,795	$ 25.10	8.46%
Indirect Expense	$ 6,269,423	$ 27.86	9.39%	$ -	$ -	0.00%	$ 6,269,423	$ 27.86	9.39%
Operating Expenses	$ 66,778,809	$ 296.79	100.00%	$ 41,796,421	$ 185.76	62.59%	$ 24,982,388	$ 111.03	37.41%

W/O indirect expense $ 60,509,386 268.9306055

*total verified by Fiscal Office

nbinsituary

Y 28.1b

Base Year: 2014

Cedarbrook
Cedarbrook Allentown Rebuild (Full Facility Rebuild)
Summary of Cash Flows

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	Total
Incremental Revenue:																											
From 870 beds down to 660 beds (98% census)																											
D-Wing & C-Wing & B-Wing: Year 2014 rate per resident per day = $278																											
Improve revenue by providing incremental short term rehabilitation services covered by medicare (Medicare rate = $476/day)	-	219,000	438,000	730,000	730,000	730,000	730,000	730,000	730,000	730,000	730,000	730,000	730,000	730,000	730,000	730,000	730,000	730,000	730,000	730,000	730,000	730,000	730,000	730,000	730,000	730,000	$16,717,000
redirecte ten additional residents at the new rate)																											
Rate improvement (market for private pay residents) (Private pay rate = $326/day)																											
redirecte ten additional residents at the new rate)	-	-	-	-	-	80,300	160,600	160,600	160,600	160,600	160,600	160,600	160,600	160,600	160,600	160,600	160,600	160,600	160,600	160,600	160,600	160,600	160,600	160,600	160,600	160,600	$3,133,700

*20 beds at improved payer mix results in less medicare beds

Linear revenue: 2014	-	-	-	-	-	-	-	-	(62,110,474)	(62,110,474)	(62,110,474)	(62,110,474)	(62,110,474)	(62,110,474)	(62,110,474)	(62,110,474)	(62,110,474)	(62,110,474)	(62,110,474)	(62,110,474)	(62,110,474)	(62,110,474)	(62,110,474)	(62,110,474)	(62,110,474)	(62,110,474)	-$1,055,879,059
Linear revenue: future	-	-	-	-	-	-	-	-	65,789,843	65,789,843	65,789,843	65,789,843	65,789,843	65,789,843	65,789,843	65,789,843	65,789,843	65,789,843	65,789,843	65,789,843	65,789,843	65,789,843	65,789,843	65,789,843	65,789,843	65,789,843	$648,427,351
Total Incremental Revenue:	-	**219,000**	**438,000**	**730,000**	**730,000**	**810,300**	**890,600**	**890,600**	**(5,430,631)**	**(5,430,631)**	**(5,430,631)**	**(5,430,631)**	**(5,430,631)**	**(5,430,631)**	**(5,430,631)**	**(5,430,631)**	**(5,430,631)**	**(5,430,631)**	**(5,430,631)**	**(5,430,631)**	**(5,430,631)**	**(5,430,631)**	**(5,430,631)**	**(5,430,631)**	**(5,430,631)**	**(5,430,631)**	**-$407,452,009**
Incremental Cash Expenses (enter Savings as negative):																											
D-Wing & C-Wing: $ 84/day; Year 2014 rate per resident per day = $266.79																											
Increased Physical Therapy for short term care based on medicare part bar																											
Linear expense: reductions shifted court change																											
Increased Physical Therapy for short term care		16,097	32,193	53,655	53,655	53,655	53,655	53,655	53,655	53,655	53,655	53,655	53,655	53,655	53,655	53,655	53,655	53,655	53,655	53,655	53,655	53,655	53,655	53,655	53,655	53,655	$1,228,700
Increased Pharmacy for short term care	-	43,809	87,600	146,000	146,000	146,000	146,000	146,000	146,000	146,000	146,000	146,000	146,000	146,000	146,000	146,000	146,000	146,000	146,000	146,000	146,000	146,000	146,000	146,000	146,000	146,000	$3,343,400
Linear expense: 2014	-	-	-	-	-	-	-	-	(66,778,809)	(66,778,809)	(66,778,809)	(66,778,809)	(66,778,809)	(66,778,809)	(66,778,809)	(66,778,809)	(66,778,809)	(66,778,809)	(66,778,809)	(66,778,809)	(66,778,809)	(66,778,809)	(66,778,809)	(66,778,809)	(66,778,809)	(66,778,809)	-$1,135,239,752
Linear expense: future	-	-	-	-	-	-	-	-	60,468,867	60,468,867	60,468,867	60,468,867	60,468,867	60,468,867	60,468,867	60,468,867	60,468,867	60,468,867	60,468,867	60,468,867	60,468,867	60,468,867	60,468,867	60,468,867	60,468,867	60,468,867	$1,027,970,731
*Bond Cost	$35,842	$35,842	$35,842	$35,842	$35,842	$35,842	$35,842	$35,842	$35,842	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	$4,622,378
Total Incremental Cash Expenses:	**$35,842**	**$95,739**	**$83,635**	**$35,497**	**$35,497**	**$35,497**	**$35,497**	**$35,497**	**(6,074,645)**	**(6,110,287)**	**(6,110,287)**	**(6,110,287)**	**(6,110,287)**	**(6,110,287)**	**(6,110,287)**	**(6,110,287)**	**(6,110,287)**	**(6,110,287)**	**(6,110,287)**	**(6,110,287)**	**(6,110,287)**	**(6,110,287)**	**(6,110,287)**	**(6,110,287)**	**(6,110,287)**	**(6,110,287)**	**-$97,874,344**
Net Incremental Operating Cash Flow	**($35,842)**	**($76,739)**	**($17,635)**	**($5,497)**	**($5,497)**	**74,803**	**155,103**	**155,103**	**144,414**	**680,256**	**680,256**	**680,256**	**680,256**	**680,256**	**680,256**	**680,256**	**680,256**	**680,256**	**680,256**	**680,256**	**680,256**	**680,256**	**680,256**	**680,256**	**680,256**	**680,256**	**$10,372,316**
Capital Investment (enter as a negative)																											
D wing	($,250,000)	($,500,000)	($,750,000)	($$8,304)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-$15,058,304
C wing	-	-	-	(721,848)	(1,270,000)	(1,270,978)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-$3,262,826
B wing	-	-	-	(721,848)	(219,022)	-	(1,820,000)	(1,820,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-$4,580,870
Total Capital Investment	**($,250,000)**	**($,500,000)**	**($,750,000)**	**($,568,000)**	**($,289,022)**	**($,270,978)**	**($,820,000)**	**($,820,000)**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-$23,902,000**
Accumulated Cash Flow after capital investment	**($,785,842)**	**($,952,581)**	**($,820,216)**	**($7,828,713)**	**($,239,232)**	**($,20,426,407)**	**($2,891,304)**	**($3,796,201)**	**($3,611,786)**	**($2,931,530)**	**($2,251,273)**	**($1,571,017)**	**($,890,760)**	**($,210,504)**	**($,530,248)**	**($,849,991)**	**($,169,735)**	**($7,489,479)**	**($,809,222)**	**($,128,966)**	**($,448,709)**	**($,768,453)**	**($,088,196)**	**($3,407,940)**	**($2,727,684)**		

rdmolchany
7.1.15

Richard Molchany:
@ $6.63 per resident per day

New World

Bed Counts	Net Beds 2%	Revenue PPD		Gross Revenue		Expense PPD		Direct Expense		P&L Profit		Debt Service Expense	Retirement Health Care	General In-direct		Total Indirect Expense		Grand Total Ex		P & L
			2014	$ 62,110,474	2014		2014	$ 60,509,386	2014	$ 1,601,088	2014	$ 1,791,480	$ 2,986,573	$ 1,491,370	$	6,269,423	2014	$ 66,778,809	2014	$ (4,668,335)
643	630	$ 276		$ 63,491,804		$ 269		$ 61,854,196		$ 1,637,608		$ 1,791,480	$ 2,986,573	$ 1,524,907	$	6,302,960		$ 68,157,156		$ (4,665,352)
624	612	$ 276		$ 61,615,685		$ 269		$ 60,026,467		$ 1,589,218		$ 1,791,480	$ 2,986,573	$ 1,479,848	$	6,257,901		$ 66,284,367		$ (4,668,682)
600	588	$ 276		$ 59,245,851		$ 269		$ 57,717,757		$ 1,528,094		$ 1,791,480	$ 2,986,573	$ 1,422,931	$	6,200,983		$ 63,918,740		$ (4,672,889)
565	554	$ 276		$ 55,789,843		$ 269		$ 54,350,887		$ 1,438,956		$ 1,791,480	$ 2,986,573	$ 1,339,926	$	6,117,979		$ 60,468,867		$ (4,679,023)
540	529	$ 276		$ 53,321,266		$ 269		$ 51,945,981		$ 1,375,285		$ 1,791,480	$ 2,986,573	$ 1,280,638	$	6,058,690		$ 58,004,671		$ (4,683,405)
493	483	$ 276		$ 48,680,341		$ 269		$ 47,424,757		$ 1,255,584		$ 1,791,480	$ 2,986,573	$ 1,169,175	$	5,947,227		$ 53,371,984		$ (4,691,643)
443	434	$ 276		$ 43,743,187		$ 269		$ 42,614,944		$ 1,128,243		$ 1,791,480	$ 2,986,573	$ 1,050,597	$	5,828,650		$ 48,443,593		$ (4,700,407)
420	412	$ 276		$ 41,472,096		$ 269		$ 40,402,430		$ 1,069,666		$ 1,791,480	$ 2,986,573	$ 996,051	$	5,774,104		$ 46,176,534		$ (4,704,438)
			berks	$ 42,000,000													berks	$ 39,000,000		
											expense improvement: efficiency							$ 4,000,000		
											potential expense							$ 42,176,534		$ (42,176,534)

EHXIBIT 8

SPECIFICATIONS

CEDARBROOK FACILITY DESIGN SERVICES

DEPARTMENT OF GENERAL SERVICES
COUNTY OF LEHIGH

1.1 PURPOSE:

1.2 The County of Lehigh is soliciting proposals for all-inclusive architectural and engineering services for the design and construction for both (a.) Renovate the existing Cedarbrook Skilled Nursing Home; (b.) Build a new 240 bed wing, in accordance with this Request for Proposals.

1.3 The County intends to utilize a Construction Management firm (CM) to provide value engineering, constructability review, cost estimating, bid preparation and management, construction scheduling and administration and such other functions as the County may deem appropriate. The CM will enter the project during the Schematic Design Phase.

1.4 All work shall be in accordance with owner recommendations, appropriate codes and standards, and the requirements of the authorities having jurisdiction.

2.1 PROJECT DESCRIPTION:

2.2 The Allentown Cedarbrook facility houses 473 licensed resident beds. The facility is outdated and lacks basic amenities expected by current and future generations who are seeking nursing facility care. The Allentown facility has become undesirable in the market due to the age and condition of the facility. The facility presents with an outdated floor plan of triple and quad rooms with communal toilet and bathing facilities on each unit. This restricts the Cedarbrook from attracting private pay residents.

2.3 The County of Lehigh is planning to construct a new Cedarbrook Skilled Nursing Home wing and renovate the existing facility at 350 S. Cedarbrook Road, Allentown, PA. The proposed site is located on the existing Cedarbrook site. The planning and design of the new facility shall begin immediately upon award of a contract. The facility will have beds for 480 residents, offices, common areas and support spaces. In terms of design and construction, amenities and uses contained within the facility are expected to be generally similar to the facility feasibility study completed in 2017. The feasibility study and floor plans of which is included herewith and marked ***Attachment A***.

2.4 This will be a Pennsylvania State licensed facility, regulated by the Pennsylvania Department of Health.

2.5 Energy Efficiency, Sustainability - The County will not pursue LEED Certification for this project. However to the extent possible and within the constraints of the funds allocated to the project energy efficiency beyond basic code compliance, best practices and sustainability shall be incorporated into the facility.

6.1 SCOPE OF WORK - GENERAL:

6.2 Under a single contract with one (1) firm, the Architectural/Engineering Team will provide all inclusive, comprehensive architectural and engineering services for the design and construction of the described facility. The items of work specifically delineated below are illustrative of the functions to be undertaken and not meant to be all inclusive of the A/E Team's responsibility.

6.3 The firm shall provide all architectural and engineering services normally and customarily furnished and reasonably necessary for the successful completion of the project. Only those functions specifically assigned to others as stated in this RFP, which under normal circumstances would be the responsibility of the A/E Team shall be excluded from the A/E's responsibility.

6.4 Coordinate the design and construction of the project with County personnel and those of the County's contracted service provider that will operate the completed facility.

6.5 Provide preliminary, and subsequent to County comment and approval, final minutes of all project meetings within one (1) week after each meeting.

6.6 Provide at the start of the project a design and bidding schedule which will result in the herein stated construction start date being met.

6.7 During the project provide as requested any plans, drawings, sketches, etc. produced in connection with the project in either printed and/or electronic format as the County may so request.

7.1 SCOPE OF WORK – PRE-DESIGN:

7.2 Survey the site, approved site plans and other relevant documents to develop a thorough understanding of present site conditions and site requirements.

7.3 Meet with County designated personnel to gain an understanding of the proposed facility needs, operations, space requirements, compliance requirements, etc.

7.4 Based on County input and the recommended space allocation and design, and the Cedarbrook Facility Feasibility Study of 2017, prepare a refined single basic plan from which a schematic plan can be developed.

8.1 SCOPE OF WORK – SCHEMATIC DESIGN:

8.2 Develop both building and site plans to a state of completeness which will enable the County to approve same for further design refinement and production of bid documents. Design should be sufficiently defined with respect to construction types, systems and finishes so as to enable the CM to perform a proper construction cost estimate.

8.3 From the SD Phase and for subsequent duration of the project consult with and otherwise include the County's CM in the design of the project, this especially with respect to value engineering, constructability cost estimating and construction scheduling.

8.4 Develop building plans and elevations.

8.5 Develop site plan with typical details.

8.6 Develop elevation renderings.

8.7 Develop typical section details, including typical flashing and waterproofing details.

8.8 Summarize HVAC, electrical, plumbing, fire safety, security, phone and data. Address building code and ADA issues, including the Pennsylvania Department of Health.

9.1 SCOPE OF WORK – FINAL DESIGN:

9.2 With the input of the County and the CM refine every detail of the plans.

9.3 Submit plans for all required reviews, municipal, third party and otherwise for code compliance, the cost of which shall be borne by the County. All reviews shall have been completed so that contractors will not be delayed in securing permits at the scheduled start of construction.

9.4 Prepare fully integrated construction drawings and specifications for all components of the project suitable for multi-part, multi-phased public bids, complete with approvals from state and local authorities, both hard copies and in electronic form as directed by County.

9.5 Prepare final construction documents (coordinated drawings and specifications), complete for approvals from state and local authorities. Documents shall include, but not be limited to:

9.6 Plans, details, schedules and drawings to include:

9.6.1 Architectural.

9.6.2 Electrical.

9.6.3 Interior and exterior finishes, including color selection.

9.6.4 Mechanical.

9.6.5 Site/Civil.

9.6.6 Security and Telecommunications.

9.6.7 Furniture, Fixtures & Equipment (FFE):

9.6.7.1 Plan for and otherwise design into the facility all FFE items including but not limited furniture for the following: examining room(s), nurses station, patient rooms, all office spaces, waiting rooms, dining areas, lounges etcetera that will be inventoried from current facility and transferred into the newly constructed areas.

9.6.7.2 Actual furniture coordination, specification, selection and purchasing will be handled by others.

9.7 Incorporate energy conservation, green technologies and sustainability components into the facility to the degree enabled by the budget.

10.1 SCOPE OF WORK – BIDDING PHASE:

10.2 Provider is bound by applicable Pennsylvania competitive bidding rules and regulations in bid coordination and administration.

10.3 Assist the CM with preparation of complete multi-part, multi-phased public bid packets for solicitation of contractor bids. CM will be responsible to establish the number of prime contracts (approximately eight (8) are to be assumed), prepare bid proposal sheets, alternates, unit prices, distribute bid documents and prepare bid tabulations.

10.4 Reproduce and distribute electronic bid documents.

10.5 Organize and conduct a pre-bid meeting for prospective bidders.

10.6 Together with the CM respond to bidders questions and prepare and issue addenda, if needed.

10.7 Together with the CM accept copies of all bids from the County Purchasing Agent, tabulate and review.

10.8 Together with the CM evaluate bids and make recommendations for award of contracts to the County.

10.9 Prepare contracts between the County and the successful bidders.

11.1 SCOPE OF WORK – CONSTRUCTION ADMINISTRATION PHASE:

11.2 Prior to or contemporaneously with the start of construction prepare a conformance / construction set of plans and specifications incorporating all changes to the plans resultant of RFP's raised during the bidding and procurement process.

11.3 Determine the aspects of the work requiring shop drawings.

11.4 Review submittals and shop drawings for compliance with the contract documents.

11.5 Process changes and/or variations during the execution of the project, as forwarded by the CM.

11.6 Provide on-site presence sufficient to verify compliance with contract documents including specifications, schedules and applicable laws, ordinances, codes and statutes.

11.7 In cooperation with the CM, insure all legally required permits, licenses and authorizations are addressed, or obtained, by appropriate parties.

11.8 Process changes and/or variations during the execution of the project, as agreed upon with the County.

11.9 Together with the CM conduct project closeout, including punch list inspection, training and verification of equipment operation.

11.10 Provide as-built drawings, both hard copies and in electronic form.

11.11 Maintain project record - to be transmitted to County at close of project. Record to include all legally required permits, licenses and authorizations addressed, or obtained, by appropriate parties.

12.1 CONFORMING WORK:

12.2 All work performed or managed must be of the highest quality and shall conform to all standards, safety guidelines and design conditions as may be imposed by legitimate regulatory organizations, including governmental agencies and municipalities.

12.3 All work performed or managed must conform to the Pennsylvania Department of Health regulations for the operation of a Skilled Nursing Home.

13.1 PERFORMANCE STANDARDS:

13.2 Provider shall become familiar with the project site and warrants that all project documents shall be perfectly coordinated and conform to all applicable codes.

13.3 Provider warrants that services shall be performed in the most cost effective manner and to the highest standards of design and engineering, in achieving the objectives of the County.

16.1 QUALIFICATIONS & EXPERIENCE:

16.2 To be considered, all firms, principals and key individuals responding to this RFP must be duly registered and licensed in the State of Pennsylvania in all applicable disciplines. All documents provided shall be signed and sealed by a registered Architect or Engineer licensed in the State of Pennsylvania.

16.3 Proposer must:

16.3.1 Be a recognized firm, having conducted business as such for at least five (5) years.

16.3.2 Demonstrate the experience of the organization in conducting efforts of the nature and scope required by this Request for Proposal.

16.3.3 Demonstrate the firm's ability and history of delivering projects on time and on budget.

16.3.4 Identify the key personnel to be assigned as the "Project Team", including any proposed specialty sub-contractors. Resumes shall be included, noting their qualifications and experience during at least the last two (2) years. Key personnel of the principal consultant shall not be changed during the project without written consent of County. Sub- consultants shall not be changed during the project without written consent of the County. Failure to abide by this provision shall constitute a breach of contract.

16.3.5 Provide a listing of all comparable design projects performed within the last 10 years, including contact person and telephone number. **The precise role of the Proposer must be noted for each project listed.**

16.3.6 Recognized firm must have successful Skilled Nursing Home "Design" and "Construction Administrative" experience for homes in excess of 300 beds. In addition, the firm must have experience from site development through construction completion. The firm must have been the lead, and not simply a member of a design team.

Changes to the Roth Marz Feasibility Plans:

- EX-B
  - A-1 floor functions must be transferred to the B or C wing
  - The A-1 floor will be vacated, and not part of this scope of work
- EX-2
  - C dining area, two resident room and four resident room will become the Chapel
  - Two resident room across the hall will become the office of the Chaplin
- AR-9
  - In the event we need to relocate A-1 to B-1, please remove apartments and replace with the A-1 floor plan (as required)
- SP-1
  - Show old Juvenile Correction Center
    - Demo the old Juvenile Correction Center
    - Provide parking lot on this site
  - Develop better vehicle access to the parking area
- A-1
  - Remove Day Room and adjacent two bed room and convert to Therapy Gym for short term resident care
- A-2
  - Secure D wing bridge
    - Card access for staff only, no access for residents and guests
  - Widen Service Corridor
    - One side for service and resident transport
    - One side for residents and guests

Project to include:

- Option 6.0-B
  - B wing to apartments
    - Three floors of ~7,810 square foot
    - 12 apartments on each floor
    - Description on drawing AR-9
    - Note: in the event A-1 needs to use space on B-1, reduce the apartment plan to two floors and provide renovation for B-1 to accommodate A-1 functionality
  - Center Building renovation
    - 1st floor, Entry renovation
    - 1st floor, Employee dining renovation
    - 2nd floor, Entry lobby
    - 3rd floor, Office/Storage Space
    - Three floors of ~11,000 square foot
  - C wing to Offices/Storage
    - C-1 no renovation
    - C-2 Office/Storage and Chapel relocation (including the Chaplin office)
    - C-3 Office/Storage
      - Note: first plan is to relocate A-1 into the C wing
  - B wing, C wing and Center Building must be vetted for Skilled Nursing Home
    - Waivers need to be vetted via the PA DoH
    - Possible fire protection via double doors at end of hallways
    - Line of Skilled Nursing Home from Column line on east end of Auditorium
    - Minimize any investments in this area
    - No residents will be housed in this area
      - However: Auditorium, family room, chapel and certain offices will be accessible to Cedarbrook residents
  - D wing renovation
    - Minor MEP on the 1st floor
    - 2nd floor through the 7th floor
      - Renovate to remove 4 room suites, max residents per room = 2
      - Provide bathrooms for residents (in accordance with PA DoH)
      - Include all finish upgrades
      - AR-7 and AR-8
      - 6 of 7 floors to be renovated (not D-1), ~ 90,000 square foot
      - MEP to include
        - HVAC

        - Replace 6 roof exhaust fans
        - Tab ducts
        - Steam distribution
        - Pressure relief valves
        - Main piping and valves
    - Plumbing
        - Replace all dwv system piping
        - Replace all hot and cold water piping
        - Replace most fixtures
    - Electrical
        - Replace panelboards and feeders
        - Replace most lighting fixtures
    - Sprinkler
        - Minor repair and head replacement
- New Wing
    - Site work
    - Site utilities
    - Parking w/ storm water management
    - 4 floor Building addition to accommodate 240 resident beds (~115,000 square foot)
    - Building addition to accommodate offices, nursing stations, public area, etc (inc)
    - Partial basement (14,000 square foot)
    - Penthouse (7,200) square foot
    - Building entrance, 1st floor main lobby (7,100 square foot)
    - Building addition for service and resident passage (5,220 square foot)
        - Preferably separated by a rail barrier
    - Canopy for the front entrance
    - Canopy for the ambulance entrance
    - C and D wing bridge (60 linear feet each)
        - D must be secured for staff access only

- Façade Restoration (Cleaning and water repellant)
    - B, C, D, Center, Laundry, Boiler
        - Repair to include brick replacement, repointing, crack repair
- Laundry roof replacement
    - 15,000 square foot
- Boiler house MEP
    - Replace condensation return and feed water pumps
    - Replace steam main to b wing
    - Replace electrical switchgear

- Asbestos abatement
    - For the renovated areas
- FFE
    - Not including resident or guest furniture, or Skilled Nursing Equipment

Feasibility Study:

- Provide A & E Roth Marz Assessment: pages 1 through 33
- Provide A & E Strunk Albert Assessment: complete booklet
- Appropriate Drawings
    - Updated by Spillman to include renovated Office Space plan

Lehigh County Cedarbrook (Allentown) Skilled Nursing Facility
General Project Scope

Lehigh County, LC has studied various options to improve resident comfort at the Allentown facility. This study led us towards a decision to construct:

1. New facility wing
    a. 240 resident beds
        i. Four floors of 60 beds
    b. 28k square foot per floor
    c. Common space
        i. Nursing station, day room, dining room, med room, staff lounge, pantry, soil linen, clean utility, clean linen, oxygen storage, exam room, public toilets, public elevator, janitor closet
2. Renovate the current D wing
    a. No more than two residents per room
    b. Bathrooms IAW suite layout
        i. Upgrade communal bathrooms to accommodate dementia residents
    c. 240 resident beds
    d. ~14.5k square foot per floor (7 floors)
    e. All floors will be designed to accommodate dementia residents
        i. Lock down units
        ii. Restricted access
3. Renovate the C wing into Office Space and Storage
    a. Relocate the Chapel to C-2
    b. Create Chaplin Office on C-2
4. Renovate the B wing into Independent Living Apartments
    a. Create 36 apartments, ~320 square foot
5. Renovate the Center Building to accommodate a new entrance
    a. Including lobby
    b. Walkway to New wing

This construction will include but not limited to all mechanical & electrical systems, interior construction of spaces. The facility will include all systems and facility infrastructure associated with the operation of a Skilled Nursing Home. The design and construction will be performed to meet the rules, regulations and advice of the Pennsylvania Department of Health.

Project must have:

- Approval from Pennsylvania Department of Health
- Maintain total resident bed counts of 670
    - Currently Allentown has 473 beds
    - Currently Fountain Hill has 197 beds
- No residents per room ratio to exceed two
- Bathrooms to meet current standards
- Schedule must be developed to ensure resident comfort
    - Possible schedule
        - Demo old Juvenile Center
            - Create parking
        - Create temporary entrance in A wing and D wing
        - Construct new entrance
        - Construct new lobby in Center Building
        - Construct new wing
        - Relocate D wing residents to new wing
        - Renovate D wing
        - Relocate new wing, B wing and C wing residents into available beds
        - Complete C wing Office renovation
        - Relocated all office space from B wing and A wing
        - Construct B wing apartments
        - Complete project in Summer of 2023

Cedarbrook Timeline

- $’s required for Option 6.B (D-wing & 4 story new wing; repurpose B&C) A & E
  - $3.5M
  - Estimated expense in 2018
    - $2.0M - $2.5M
    - Completed

- Agree on renovation plan (Executive and Commissioners)
  - September 2017
    - Completed

- Hire Architects to assist in creating the scope of work
  - These architects cannot bid on the project
    - Architects will be commissioned from the current blanket contract
    - September 2017
    - $’s for this service are currently available in the Capital Budget
    - Underway

- Issue the RFP to Procurement
  - December 2017
  - All vendors will want to know if we have an established budget, what they are really seeking is do we have money allocated for the project
    - For vendors to complete a thorough proposal, it costs them “t & m”

- Review the RFP
  - January 2018
  - Money from a short term loan (similar to the Old Courthouse project funding must be available for encumbrance)
  - Commissioners approve ordinance that preserves the County right to repay the short term loan (or Stabilization Fund) when we issue the Cedarbrook Bond

- Contract with the vendor of choice
  - February 2018

- Commissioner approval for the vender of choice
  - February/March 2018

- Start the architectural and engineering to renovate
  - Including reaching out to the PA Department of Health
  - February/March 2018

- Completed renovation plan becomes the basis for construction bid process
  - Including approval from the PA Department of Health
  - January 2019

- Have bond counsel commissioned
  - January 2019

- Construction bidding & Request for Proposal for Construction Manager
  - February/March 2019

- Review the construction bids & RFP
  - March/April 2019

- Issue Bonds to finance the project
  - March/April 2019

- Contract with the vendor of choice
  - April/May 2019
  - All Prime Contractors will need insurance, bonding, and under contract

- Secure permits
  May/June 2019

- Begin construction
  - Architect will issue the Notice to Proceed
  - Summer of 2019

- Construction Completed
  - January 2023
  - Project receives all appropriate Certification of Occupancy

- Punch list and project close out
  - Spring of 2023

- Bond Spending Completion
  - Summer of 2023

EHXIBIT 9

Construction Management RFP Scope of Work

5.0 SCOPE OF WORK:

5.1 Preliminary Design Phase

5.1.1 Data Collection Support

5.1.1.1 Review all data collected by the architect/engineer.

5.1.1.2 In coordination with A/E, evaluate impact of addition to Cedarbrook on facility replacement construct-ability, phasing and cost. Provide value engineering to the preliminary design.

5.1.2 Conceptual Design:

5.1.2.1 Evaluate potential façade materials selected by A/E for constructability and cost.

5.1.2.2 Evaluate conceptual façade alternatives Developed by A/E for constructability and cost.

5.1.2.3 Assist A/E in refining three (3) alternatives and developing unit cost estimates for County consideration.

5.1.3 Schematic Design:

5.1.3.1 Evaluate A/E design for constructability and cost.

5.1.3.2 Evaluate HVAC, electrical, fire safety and related zoning, building code and ADA issues as summarized by A/E. Consider the limitations and capabilities of existing mechanical systems in space planning and utilization. Plan for augmentation, as needed.

5.1.3.3 Evaluate structural support impacts as summarized by A/E.

5.1.3.4 In coordination with A/E, develop a construction-phasing plan to minimize disruption and duration and integrate interior renovations and new space.

5.1.3.5 In coordination with A/E, update and detail construction cost and project cost estimate, with a list of assumptions and exclusions as necessary.

5.1.4 Deliverables:

5.1.4.1 Detailed phasing for sequence of construction of all work oriented to minimize disruption while maximizing project efficiency.

5.1.4.2 Cost estimates and duration schedule. Provide value engineering to the conceptual design.

5.1.4.3 Ownership of Preliminary Design Phase Deliverables rests with the County, regardless of whether the successful firm is asked to proceed through Final Design, Bidding and Construction

Administration Phases.

5.2 Final Design Phase:

5.2.1 Coordinate the entire project with County personnel.

5.2.2 Value engineering and constructability review of final construction documents, prepared by A/E, including but not be limited to:

5.2.2.1.1 Architectural.

5.2.2.1.2 Demolition.

5.2.2.1.3 Electrical.

5.2.2.1.4 Furniture.

5.2.2.1.5 Interior and exterior finishes, including color selection, floor and wall coverings, lighting and decorative trim.

5.2.2.1.6 Mechanical.

5.2.2.1.7 Remediation.

5.2.2.1.8 Telecommunications.

5.2.3 Review construction contracts prepared by A/E.

5.2.4 Update and maintain Project Budget.

5.2.5 Prepare and maintain a Project Schedule including all of the important activities of A/E, CM, County and pertinent approval agencies from Final Design through construction completion and occupancy.

5.2.6 Any other construction management services normally or customarily furnished and reasonably necessary for the Project.

5.3 Bidding Phase:

5.3.1 Provider is bound by applicable Pennsylvania competitive bidding rules and regulations in bid coordination and administration.

5.3.2 Develop a construction milestone schedule for inclusion in the bid documents to advise bidders of schedule requirements.

5.3.3 Assist A/E in preparation of complete multi-part, multi-phased public bid packets for solicitation of contractor bids. Identify long-lead items and structure bids accordingly.

5.3.4 Identify and contact potential bidders.

5.3.5 Attend pre-bid meeting.

5.3.6 Accept copies of all bids from the County Purchasing Agent, tabulate and review.

5.3.7 Make recommendations for award of contract, to County of Lehigh.

5.3.8 Produce monthly project status report identifying the activities of the previous month, as well as activities planned for the current month, including an updated Project Schedule and Budget from bidding through project completion and occupancy, and an Action Item Log.

5.3.9 Issue official notice to proceed.

5.4 Construction Administration Phase:

5.4.1 Schedule and lead progress meetings; produce and distribute minutes.

5.4.2 Forward/refer submittals and shop drawings to A/E for compliance with the contract documents.

5.4.3 Assist contractors in interpretation of contract documents and forward Requests for Information to A/E as needed.

5.4.4 Verify contractor procurement of long-lead and critical-path materials and equipment.

5.4.5 Assist County with scheduling and procurement of owner-supplied temporary facilities, furniture, fixtures and equipment necessary during construction and for occupancy.

5.4.6 Maintain the project schedule. Observe construction progress and report derivations from the schedule. Develop recovery plans.

5.4.7 Develop and implement a system for the forecasting, preparation, review and processing of change orders during the execution of the project, and negotiate with the contractors. Forward change orders for A/E review as needed.

5.4.8 Review and certify estimates or payment requests by contractors for submittal to the County.

5.4.9 Provide on-site presence sufficient to verify compliance with contract documents including specifications, schedules and applicable laws, ordinances, codes and statutes.

5.4.10 Minimize duration, and assure that contractors minimize disruption of Cedarbrook operations and maintain a safe, clean work site.

5.4.11 Ensure project safety and coordinate inspections.

5.4.12 In cooperation with the A/E, insure all legally required permits, licenses and authorizations are addressed, or obtained, by appropriate parties. Verify that all required permits are obtained by each contractor.

5.4.13 Produce monthly project status report identifying the activities of the previous month, as well as activities planned for the current month, including an updated Project Schedule and Budget, record of payments made and due, and an Action Item Log.

5.4.14 Coordinate project closeout, including punch list inspection, training and verification of equipment operation.

5.4.15 Assist County in scheduling and sequencing moves and disassembling temporary facilities.

5.4.16 Issue certificate of final completion consistent with the contract documents.

8.0 TERM OF CONTRACT:

8.1 Contract shall commence upon final execution and continue until the end of project. Final Design Phase and subsequently the Bidding and Construction Administration Phases will be authorized in writing by the County, if satisfied with the progress and results of the Preliminary Design Phase.

8.2 Due to the complexity of the project and the need for phasing, this project may take four (4) or more years to complete from Preliminary Design to Final Design through Construction. Offerors need to commit to staffing and hold the fee, percentage and rates over the duration of the project.

10.0 QUALIFICATIONS & EXPERIENCE:

10.4 Provide a listing of all comparable phased renovation projects performed within the last 10 years, including contact person and telephone number, with a total project cost in excess of $10M. Listing should include bid total, final cost, and number and cost of change orders. The County will only consider proposals received from firms who have completed at least three (3) such projects.

10.5 The precise role of the offeror must be noted for each project listed.

12.0 COMPENSATION:

12.1 Preliminary Design and Out of Pocket Expenses:

12.1.1 Using the provided Response Form, the firm must provide a lump sum, not to exceed, billed monthly by actual hours spent, fee for all services to be performed, including any out-of-pocket expenses. This fee covers all items identified under Section 5.1, plus a stated out-of-pocket total.

12.1.2 An hourly billing rate schedule for the various professional disciplines must also be included with the proposal. These rates will be used to verify invoices provided and used in the event additional fees must be negotiated over and above the scope of work outlined herein.

12.2 Final Design, Bidding, Construction Administration Phases and Out of Pocket Expenses:

12.2.1 Using the provided Proposal Form, firms must provide an all-inclusive percentage fee based upon the cost of construction. This fee covers all items identified under Sections 5.2, 5.3 and

5.4, including out-of-pocket expenses. Invoicing and subsequent payment shall be based on actual percentage of work completed.

12.2.2 List a percentage fee to be paid for all services necessary to complete final design assistance (including construction documents, bidding, construction administration and out of pocket expenses). The percent fee shall be applied to the actual cost of construction rounded down to the nearest million, as determined by County. In the event that the cost of construction exceeds $40M by one (1) or more increments of $2M, the percent fee shall be reduced by 1/10 of 1% and applied in the same manner. In the example below, the offeror listed a 6.0% fee, which when applied to a $40M construction equals $2.4M. If the construction rose to $50M, the fee would be 5.5% or $2.75M:

12.3 Any costs incurred by proposer in preparing or submitting offers are the proposer's sole responsibility. The County will not reimburse any proposer for any costs incurred prior to contract award.

12.4 The County reserves the right to audit any/all project expenses.

Const. =	40,000,000	41,000,000	42,000,000	43,000,000	44,000,000	45,000,000	46,000,000	47,000,000	48,000,000	49,000,000	50,000,000
%	Fee										
5.5%	2,200,000	2,255,000	2,310,000	2,365,000	2,420,000	2,475,000	2,530,000	2,585,000	2,640,000	2,695,000	2,750,000
5.6%	2,240,000	2,296,000	2,352,000	2,408,000	2,464,000	2,520,000	2,576,000	2,632,000	2,688,000	2,744,000	2,800,000
5.7%	2,280,000	2,337,000	2,394,000	2,451,000	2,508,000	2,565,000	2,622,000	2,679,000	2,736,000	2,793,000	2,850,000
5.8%	2,320,000	2,378,000	2,436,000	2,494,000	2,552,000	2,610,000	2,668,000	2,726,000	2,784,000	2,842,000	2,900,000
5.9%	2,360,000	2,419,000	2,478,000	2,537,000	2,596,000	2,655,000	2,714,000	2,773,000	2,832,000	2,891,000	2,950,000
6.0%	2,400,000	2,460,000	2,520,000	2,580,000	2,640,000	2,700,000	2,760,000	2,820,000	2,880,000	2,940,000	3,000,000

From the Ballfield Project

12.0 COMPENSATION:

12.1 Using the provided Response Form, provide a firm fixed fee for all services to be performed, including any out-of-pocket expenses. Invoicing and subsequent payment shall be based on actual percentage of work completed.

12.2 Any costs incurred by Proposer in preparing or submitting offers are the Proposer's sole responsibility. The County will not reimburse any Proposer for any costs incurred prior to contract award.

12.3 The County reserves the right to audit any/all project expenses.

EHXIBIT 10

rmolchany
3.20.18

DRAFT TABULATION SHEET (RFP #18-010)

RFP DATE: MARCH 15, 2018
SUBJECT: CEDARBROOK ADDITIONS & RENOVATIONS-DESIGN SERVICES/ FOR: DEPARTMENT OF GENERAL SERVICES
OWNER: COUNTY OF LEHIGH

	Firm Fixed Fee	Fee Rank	Lehigh County	Lehigh County Work Experience	> 10 Years of Firm Experience	Nursing Home Design Experience >200 Beds	Budget	Architect Lead	Engineer: Electrical Lead	Engineer: Mechanical Lead	Engineer: Civil Lead	Engineer: Structural Lead	Cost Estimating Lead	References: #1	References: #2	References: #3	Notes
Fedetz & Martin Associates, P.C. Allentown, PA	**$2,584,320**	**1**	**Y**	**Y**	**Y**			**Kip Fedetz, >30 years**	**SAE, Ken Zimmerman, >30 years**	**SAE, Ken Zimmerman, >30 years**	**Ott Consulting, Jeffrey Ott,**	**O'Donnell, Jason Coleman,**		**?**	**?**	**?**	**Kip is experienced in smaller County projects, this project (~$68M) would be a huge stretch for his company. He does have a small nursing home project ~48 beds.**
Kimmel Bogrette Architecture + Site Blue Bell, PA	**$3,800,000**	**9**	**N**	**N**	**Y**		**35m**	**Martin Kimmel, >30 years, Has done SNF**	**SAE, Ken Zimmerman, >30 years**	**SAE, Ken Zimmerman, >30 years**	**Bohler Eng. Mike Jeitner, > 25 years**	**Rehther + Bowen, Mark Bowen, >23 years**	**Hill International, Thomas Bryan, >40 years**	**Vantage Point Retirement Living, Greg Stevens, 610-321-1977,**	**Gloria Dei Communities, Vince Dattilo, 215-830-8302**	**Senior Life Choices, Michael Hartnett, 704-496-2500**	**Used the phase: Food, Family and Fun. The Summit at Hockessin, Independent and Continuing Care Facility, Hockessin, DE, Friends Hospital, Friends Glen Skilled Care Nursing & Assisted Living Facility, Philadelphia, PA, Henry J. Carter Specialty Hospital, SNF and LTACH, New York, NY**
Lenhardt Rodgers Architects, Inc. Fort Washington, PA	**$3,379,100**	**7**	**N**	**N**	**Y**		**40M**	**Phillip Rodgers >35 years**	**SAE, Ken Zimmerman, >30 years**	**SAE, Ken Zimmerman, >30 years**	**Barry Isset, Bob Korp >20 years**	**MacIntosh, Steven Krumenacker**		**Christ Home, John Bryant, 215-956-1888**	**Simpson Senior, Kim Williams, 610-660-0112**	**Wesley Enhanced, Jeff Petty, 215-354-0565**	**Worked at Gracedale, Bradford County, Parkhouse (Montgomery County), Rest Haven (Schuylkill County), Dubois Nursing Home (Clearfield County),**
MKSD, LLC ; Allentown, Pa	**$3,343,000**	**6**	**Y**	**N**	**Y**			**Todd Chambers, >20 years**	**SAE, Ken Zimmerman, >30 years**	**SAE, Ken Zimmerman, >30 years**	**Langan, Thomas Dredge, >14 years**	**O'Donnell & Naccarato, Michael Herrmann, >24 years**		**?**	**?**	**?**	**Lack skilled nursing home experience; in fact, they didn't have any skilled nursing homes on their reference list.**
Meyers Design, Inc. ; Ardmore, PA	**$2,589,400**	**2**	**N**	**N**	**Y**	**Y**	**45m**	**Dan King, >26 years**	**SAE, Ken Zimmerman, >30 years**	**SAE, Ken Zimmerman, >30 years**	**Hanover Engineering,Charles Unangst, >30 years**	**O'Donnell, Ryan Rotzell, >17 years**	**MBP, Christopher McLuckie, >24 years**	**Main Line Senior Care Alliance, 610-658-5100**	**Brandywine Living, 856-813-2000**	**Northstar Advisors, 610-896-8100**	**The Crossings at West Shore, 192 beds, $23m,. Fredrick Living, $45m, 62 beds. Saunders House, 120 units. Used Faith, food and family…**
Noelker and Hull Associates, Inc. Chambersburg, PA	**$3,120,000**	**5**	**N**	**N**	**Y**	**Y**		**Michael Allen-Hall, >30 years**	**Barton Associates, Roger Thies, >22 years**	**Barton Associates, Roger Thies, >22 years**	**K&W, Marc Kurowski, >25 years**	**Baker, Ingram & Associates, Lawrence Baker, >35 years**		**Phoebe Ministries, Scott Stevenson**	**Mountain View Nursing and Rehabilitation Center, Edward Ballet**	**Village Point Rehabilitation & Healthcare, Heather Hill-Falkoff**	**Michael worked on these: Centre Crest, 240 bed, design services. Mountain View Nursing and Rehab Center, feasibility study, 271 beds, 10 independent apartments. Dauphin County. Spring Creek, 212 beds. Springpoint Senior Living, 120 beds. Village Point, new construction design, 120 beds, four 30 bed communities. Transitions at Claremont (Cumberland County), short term rehab unit design, Mr. John Lopp. Abundant Life Center, 102 beds, 20 apartments, 34 assisted living, $42m, Laura Roy.**
Roth Marz Partnership P.C. Lenhartsville, PA 19534	**$2,950,000**	**4**	**N**	**Y**	**Y**	**Y**	**37m**	**Robert Marz, >30 years, has done SNF**	**SAE, Ken Zimmerman, >30 years**	**SAE, Ken Zimmerman, >30 years**	**Cowan Associates, Todd Myers, >30 years**	**Whiteman Company, Scott Bigley, >30 years**		**Erie County, Luigi Pasquale**	**Pleasant Ridge Manor SNF, Robert Smith**	**Cedarbrook, Rick Molchany**	**Erie County Pleasant Ridge Manor, SE Veterans Community Center, Crawford County Crawford Care Center, Vunango Manor, Rouse-Warren County Home,**
Spiezle Architectural Group, Inc. Media, PA	**$3,480,000**	**8**	**N**	**N**	**Y**			**Steve Leone,**	**Arris, Richard Szatkowski**	**Arris, Brian Flynn**	**Langan, Thomas Dredge, >14 years**	**O'Donnell, Ryan Rotzell, >17 years**		**Francis Parker, Roberto Muniz, 609-545-8330**	**Presbterian Village, James Bernardo, 717-502-8885**	**Actor's Home, Jordan Strohl, 201-510-3421**	**Parker at Monroe, 128 beds; Ware Presbyterian Village, Assisi House, 125 bed; Not much PA DOH experience, references are from NY an NJ**
W2A Design Group; Allentown, PA	**$2,689,900**	**3**	**Y**	**Y**	**Y**		**5m**	**Glenn Lichtenwalner, >35 years**	**BSEG, Ahmad Mahmud, >20 years**	**BSEG, Ahmad Mahmud, >20 years**	**Hanover Engineering,Charles Unangst, >30 years**	**Rehther + Bowen, Mark Bowen, >23 years**		**No PA references**	**No PA references**	**No PA references**	**Healthcare Architects, Robert Cozzarelli has 200 bed experience; however, he is not the lead and the lead doesn't have significant SNF experience**

EHXIBIT 11

rdmolchany
8.14.20

Cedarbrook Construction Manager

Vendor	Wagman	Sorodini	PJ Dick	Skanska USA Building, Inc.	Butz
Location	York PA	Forty Fort PA	Exton	Blue Bell PA	Allentown, PA
Lump Sum	$848,000	$1,177,211	$1,237,508	$1,376,400	$2,295,219
Years Of Experience	>20 years	>30 years	>30 years	>30 years	>30 years
Size	Not listed	$185M of Healthcare Projects	$12B of Healthcare Projects	$13B of Healthcare Projects	$1B of Healthcare Projects
Lehigh County Project Experience	No	No	No	Current OCH CM	Yes
Public Projects Experience	No	No	Limited: School	Yes, LC and NC	Yes
Skilled Nursng Home Experience	Yes	Very limited	Yes	Yes, ranked top five in US	Yes
	Eliminated due to cost				**Eliminated due to cost**
Process:					
Project Budget Refinement		**Yes**	**Yes**	**Yes**	
Value Engineering		**Yes**	**Yes**	**Yes**	
Project Schedule Development		**Yes**	**Yes**	**Yes**	
Construction Management		**Yes**	**Yes**	**Yes**	
Procure Construction Vendors (IAW: PA bidding law)		**Yes**	**Yes**	**Yes**	
Project Control		**Yes**	**Yes**	**Yes**	
Defined RFP Process		**Yes**	**Yes**	**Yes**	
Prepare Construction Invoices		**Yes**	**Yes**	**Yes**	
Close Out Procedures		**Yes**	**Yes**	**Yes**	
References Verified Work:		**Yes**	**Yes**	**Yes**	
Rank		**#3**	**#2**	**#1**	
Comments		**Acceptable References for their A team were good; however, their B team lacked experience**	**Good Solid references; however, they did have an issue with permitting**	**Superior Montgomery County provided rave reviews and stated that they would hire again**	
Selection:				**X**	

EHXIBIT 12

Cedarbrook Senior Care and Rehabilitation

SCENARIO: Phase One					
240 Bed Addition, 4 Floors					
New Construction					
Site Work /Retaining Walls /Landscaping /Sidewalks /Storm Water Management	LS			$2,500,000	
Site utilities	LS			$750,000	
Parking W Storm Water Management	Pkg. Space	209	$4,000	$836,000	
Building Addition, 4 Fls, 240 Beds	SF	111,720	$235	$26,254,200	
Building Addition, Partial Basement	SF	14,000	$155	$2,170,000	
Building Addition, Penthouses	SF	7,200	$135	$972,000	
Building Addition, Entrance, 1st Fl Main Lobby	SF	7,090	$200	$1,418,000	
Building Addition, Entrance, 2nd Fl Service Hall	SF	2,620	$200	$524,000	
Canopy, Main Entrance	LS			$550,000	
Canopy, Ambulance Pick-up	LS			$85,000	
Bridge to D Wing	LF	60	$9,000	$540,000	
Bridge to D Wing	LF	60	$9,000	$540,000	
				Sub-Total New Construction	$37,139,200
Existing Building Renovation					
1st Floor Center Building - Entry Reno/Emp Dining				$226,250	
2nd Floor Center Building - Entry Renovation				$412,500	
Demo of Old Juvenile Detention Center, Parking				$500,000	
General Facility Upgrade				$1,164,825	
Note: B, C & D Renovations will be performed in Phase Two. (D Wing: Waiver or CMS are potential options.)					
				Sub-Total Renovation	$2,303,575
				Sub-total New and Existing Construction	$39,442,775
				Asbestos Abatement	$100,000
				Professional Fee, 6.25%	$2,471,423
				FFE	$650,000
				Contingency, 10%	$3,954,278
				Total	**$46,618,476**

rdmolchany: 5.2.19

EHXIBIT 13

Budget Work Sheet

Project:
Lehigh County Cedarbrook Project

			$ Per SQ. FT.
Total Estimated Project Budget	**$62,680,566**		$416
Total Construction Budget	$55,442,791	% Total Construction	$368
Total Owner Cost Budget	$7,237,776	13%	$48

PROJECT METRICS

Total Approved Budget:	$46,618,476	+/- 34%	$16,062,090
Total Building Sq. Ft.:	150,518		
Total Employees:	0		

CONSTRUCTION COST

	$ (US Dollars)
Construction Direct Cost: (Material, Equipment and Labor)	$46,231,220

Construction Soft Cost Items:	$ (US Dollars)	% Direct Cost	Unit Cost	--SELECT-- Unit Calculation
Construction Soft Cost (Staffing, GC, Insurance, Bond and Fee)	$5,547,746	12.0%		% Direct Construction Cost
Construction Contingency	$2,311,561	5.0%		% Direct Construction Cost
Design & Pricing Contingency	$0	0.0%		% Direct Construction Cost
Escalation	$1,352,263	2.5%		% Direct Construction Cost
SOFT COST SUB TOTAL:	**$9,211,571**			

OWNER COST

Owner Cost Items:	$ (US Dollars)	% Cost	Unit Cost	--SELECT-- Unit Calculation
Owner Contingency (unknowns, scope changes, etc.)	$490,427	1.00%		% Direct Construction Cost
Environmental (hazardous materials testing and asbestos abatement)	$245,213	0.50%		% Direct Construction Cost
Advertising	$0	0.00%		% Total Construction Cost
Building Permitting	$0	0.00%		% Direct Construction Cost
Owner's Builders Risk Insurance	$245,213	0.50%		% Direct Construction Cost
Appraisal & Recording Fees	$0	0.00%		% Total Construction Cost
Construction Site Security	$0	0.00%		% Total Construction Cost
Utility Company Fees	$245,213	0.50%		% Direct Construction Cost
Testing & Inspection Services	$245,213	0.50%		% Direct Construction Cost
Swing-Space/Modular	$0	0.00%		% Total Construction Cost
Moving (monuments, occupants and belongings)	$0	0.00%		% Total Construction Cost
Furnishings	$1,764,433	3.00%		% Total Construction Cost
Equipment (A/V, security hardware, networking, phone, computer equipment)	$588,144	1.00%		% Total Construction Cost
Other Administrative Project Costs	$0	0.00%		% Total Construction Cost
Commissioning	$0	0.00%		% Total Construction Cost
A&E Fee	$2,053,057	5.00%		% Total Construction Cost
CMa Fee	$1,360,862		9.04	SQ. FT.
Salaries	$0	0.00%		% Total Construction Cost
LEED Certification Fees	$0	0.00%		% Total Construction Cost
Site Survey/ Studies	$0	0.00%		% Total Construction Cost
Loan Interest / Accounting Fees	$0	0.00%		% Total Construction Cost
Project Management	$0	0.00%		% Total Construction Cost
Land Acquisition	$0	0.00%		% Total Construction Cost
Other	$0	0.00%		% Total Construction Cost
OWNER COST SUB TOTAL:	**$7,237,776**			
% of Construction Cost	**13%**			

SKANSKA

EHXIBIT 14

OCT 21			$ 41,200,000.00			$ 3,843,000.00			$ 1,983,000.00
NOV 21			$ 41,200,000.00			$ 3,843,000.00			$ 1,983,000.00
DEC 21			$ 41,200,000.00			$ 3,843,000.00			$ 1,983,000.00
JAN 22			$ 41,200,000.00			$ 3,843,000.00			$ 1,983,000.00
FEB 22			$ 41,200,000.00			$ 3,843,000.00			$ 1,983,000.00
MAR 22			$ 41,200,000.00	$ (64,377.90)		$ 3,778,622.10	$ (63,720.00)		$ 1,919,280.00
APR 22	$ (2,448,216.00)		$ 38,751,784.00	$ (70,507.80)		$ 3,708,114.30	$ (95,598.00)		$ 1,823,682.00
MAY 22	$ (1,741,982.40)		$ 37,009,801.60	$ (29,958.30)		$ 3,678,156.00	$ (2,610.00)		$ 1,821,072.00
JUN 22	$ (922,007.70)		$ 36,087,793.90			$ 3,678,156.00	$ -		$ 1,821,072.00
JUL 22	$ (295,821.00)		$ 35,791,972.90	$ (68,076.90)		$ 3,610,079.10	$ (27,324.00)		$ 1,793,748.00
AUG 22	$ (546,250.50)		$ 35,245,722.40	$ (7,200.00)		$ 3,602,879.10	$ (28,080.00)		$ 1,765,668.00
GC - C.O. #1		$ 48,810.00	$ 35,294,532.40			$ 3,602,879.10			$ 1,765,668.00
PC - C.O. #1			$ 35,294,532.40			$ 3,602,879.10		$ 83,886.00	$ 1,849,554.00
SEP 22	$ (301,099.50)		$ 34,993,432.90	$ (133,614.00)		$ 3,469,265.10	$ (190,800.00)		$ 1,658,754.00
OCT 22	$ (485,037.00)		$ 34,508,395.90	$ (242,685.00)		$ 3,226,580.10	$ (9,450.00)		$ 1,649,304.00
EC - C.O. #1			$ 34,508,395.90			$ 3,226,580.10			$ 1,649,304.00
NOV 22	$ (518,687.10)		$ 33,989,708.80	$ (158,310.00)		$ 3,068,270.10			$ 1,649,304.00
DEC 22	$ (265,461.30)		$ 33,724,247.50			$ 3,068,270.10	$ (12,600.00)		$ 1,636,704.00
JAN 23	$ (498,694.50)		$ 33,225,553.00	$ (6,750.00)		$ 3,061,520.10	$ (34,785.00)		$ 1,601,919.00
MC - C.O. #1			$ 33,225,553.00		$ 38,746.80	$ 3,100,266.90			$ 1,601,919.00
GC - C.O. #2		$ 29,961.00	$ 33,255,514.00			$ 3,100,266.90			$ 1,601,919.00
GC - C.O. #3		$ (16,082.00)	$ 33,239,432.00			$ 3,100,266.90			$ 1,601,919.00
FEB 23	$ (317,776.50)		$ 32,921,655.50	$ (111,150.00)		$ 2,989,116.90	$ -		$ 1,601,919.00
PC - C.O. #2			$ 32,921,655.50			$ 2,989,116.90		$ 23,194.84	$ 1,625,113.84
MAR 23	$ (207,812.70)		$ 32,713,842.80	$ (15,837.30)		$ 2,973,279.60	$ -		$ 1,625,113.84
APR 23	$ (310,875.89)		$ 32,402,966.91	$ (86,215.50)		$ 2,887,064.10	$ (40,410.00)		$ 1,584,703.84
MAY 23			$ 32,402,966.91	$ (99,774.00)		$ 2,787,290.10	$ (5,850.00)		$ 1,578,853.84
JUN 23			$ 32,402,966.91	$ (104,356.06)		$ 2,682,934.04			$ 1,578,853.84
GC - C.O. #4		$ 125,496.40	$ 32,528,463.31			$ 2,682,934.04			$ 1,578,853.84
JUL 23	$ (1,055,215.61)		$ 31,473,247.70	$ (22,948.38)		$ 2,659,985.66	$ (55,800.00)		$ 1,523,053.84
GC - C.O. #5		$ 184,376.76	$ 31,657,624.46			$ 2,659,985.66			$ 1,523,053.84
PC - C.O. #3			$ 31,657,624.46			$ 2,659,985.66		$ 2,931.50	$ 1,525,985.34
MC - C.O. #2			$ 31,657,624.46		$ 6,990.50	$ 2,666,976.16			$ 1,525,985.34
AUG 23			$ 31,657,624.46	$ (6,291.45)		$ 2,660,684.71	$ (2,638.35)		$ 1,523,346.99

EC - C.O. #2				$	31,657,624.46					$	2,660,684.71					$	1,523,346.99
EC - C.O. #3				$	31,657,624.46					$	2,660,684.71					$	1,523,346.99
GC - C.O. #6			**$ 450,843.62**	$	32,108,468.08					$	2,660,684.71					$	1,523,346.99
EC - C.O. #4				$	32,108,468.08					$	2,660,684.71					$	1,523,346.99
EC - C.O. #5				$	32,108,468.08					$	2,660,684.71					$	1,523,346.99
MC - C.O. #3				$	32,108,468.08			$	13,981.00	$	2,674,665.71					$	1,523,346.99
PC - C.O. #4				$	32,108,468.08					$	2,674,665.71			$	5,863.00	$	1,529,209.99
GC - C.O. #7			$ 27,445.36	$	32,135,913.44					$	2,674,665.71					$	1,529,209.99
SEP 23				$	32,135,913.44					$	2,674,665.71					$	1,529,209.99
OCT 23				$	32,135,913.44					$	2,674,665.71					$	1,529,209.99
NOV 23				$	32,135,913.44					$	2,674,665.71					$	1,529,209.99
DEC 23	$	(476,204.72)		$	31,659,708.72	$	(12,582.90)			$	2,662,082.81	$	(5,276.70)			$	1,523,933.29
PC - C.O. #5				$	31,659,708.72					$	2,662,082.81			$	8,794.50	$	1,532,727.79
MC - C.O. #4				$	31,659,708.72			$	20,971.50	$	2,683,054.31					$	1,532,727.79
JAN 24				$	31,659,708.72	$	(18,874.35)			$	2,664,179.96	$	(7,915.05)			$	1,524,812.74
FEB 24				$	31,659,708.72					$	2,664,179.96					$	1,524,812.74
GC - C.O. #8			$ 5,038.49	$	31,664,747.21					$	2,664,179.96					$	1,524,812.74
GC - C.O. #9			$ 26,474.00	$	31,691,221.21					$	2,664,179.96					$	1,524,812.74
MAR 24				$	31,691,221.21					$	2,664,179.96					$	1,524,812.74
PC - C.O. #6				$	31,691,221.21					$	2,664,179.96			$	11,726.00	$	1,536,538.74
MC - C.O. #5				$	31,691,221.21			$	27,962.00	$	2,692,141.96					$	1,536,538.74
APR 24				$	31,691,221.21	$	(25,165.80)			$	2,666,976.16	$	(10,553.40)			$	1,525,985.34
MAY 24	$	(45,084.37)		$	31,646,136.84					$	2,666,976.16					$	1,525,985.34
PC - C.O. #7				$	31,646,136.84					$	2,666,976.16			$	8,794.50	$	1,534,779.84
MC - C.O. #6				$	31,646,136.84			$	20,971.50	$	2,687,947.66					$	1,534,779.84
GC - C.O. #10			$ 43,248.59	$	31,689,385.43					$	2,687,947.66					$	1,534,779.84
JUN 24				$	31,689,385.43					$	2,687,947.66					$	1,534,779.84
EC - C.O. #6				$	31,689,385.43					$	2,687,947.66					$	1,534,779.84
JUL 24				$	31,689,385.43	$	(18,874.35)			$	2,669,073.31	$	(7,915.05)			$	1,526,864.79
GC - C.O. #11			**$ 2,497,657.68**	$	34,187,043.11					$	2,669,073.31					$	1,526,864.79
MC - C.O. #7				$	34,187,043.11			$	20,971.50	$	2,690,044.81					$	1,526,864.79
PC - C.O. #8				$	34,187,043.11					$	2,690,044.81			$	8,794.50	$	1,535,659.29
AUG 24				$	34,187,043.11					$	2,690,044.81					$	1,535,659.29
SEP 24	$	(1,977,086.26)		$	32,209,956.85					$	2,690,044.81					$	1,535,659.29

OCT 24	$ (1,747,700.10)		$ 30,462,256.75	$ (18,874.35)		$ 2,671,170.46	$ (7,915.05)		$ 1,527,744.24
NOV 24			$ 30,462,256.75			$ 2,671,170.46	$ (23,400.00)		$ 1,504,344.24
DEC 24	$ (1,102,655.25)		$ 29,359,601.50			$ 2,671,170.46			$ 1,504,344.24
JAN 25	$ (288,463.50)		$ 29,071,138.00	$ (20,097.72)		$ 2,651,072.74	$ (23,017.50)		$ 1,481,326.74
EC - C.O. #7			$ 29,071,138.00			$ 2,651,072.74			$ 1,481,326.74
MC - C.O. #8			$ 29,071,138.00		$ 20,971.50	$ 2,672,044.24			$ 1,481,326.74
PC - C.O. #9			$ 29,071,138.00			$ 2,672,044.24		$ 8,794.50	$ 1,490,121.24
EC - C.O. #8			$ 29,071,138.00			$ 2,672,044.24			$ 1,490,121.24
FEB 25			$ 29,071,138.00	$ (22,474.35)		$ 2,649,569.89	$ (11,515.05)		$ 1,478,606.19
MAR 25	$ (1,089,105.57)		$ 27,982,032.43	$ (3,600.00)		$ 2,645,969.89	$ (3,600.00)		$ 1,475,006.19
APR 25			$ 27,982,032.43	$ (3,600.00)		$ 2,642,369.89	$ (50,760.00)		$ 1,424,246.19
GC - C.O. #12		$ 4,285.06	$ 27,986,317.49			$ 2,642,369.89			$ 1,424,246.19
MAY 25			$ 27,986,317.49			$ 2,642,369.89	$ (15,930.00)		$ 1,408,316.19
GC - C.O. #13		$ 51,853.18	$ 28,038,170.67			$ 2,642,369.89			$ 1,408,316.19
GC - C.O. #14		$ 3,166.87	$ 28,041,337.54			$ 2,642,369.89			$ 1,408,316.19
MC - C.O. #9			$ 28,041,337.54		$ 20,971.50	$ 2,663,341.39			$ 1,408,316.19
PC - C.O. #10			$ 28,041,337.54			$ 2,663,341.39		$ 8,794.50	$ 1,417,110.69
PC - C.O. #11			$ 28,041,337.54			$ 2,663,341.39		$ 7,324.24	$ 1,424,434.93
JUNE 25	$ (1,678,962.37)		$ 26,362,375.17			$ 2,663,341.39	$ (65,992.50)		$ 1,358,442.43
PC - C.O. #12			$ 26,362,375.17			$ 2,663,341.39		$ 8,794.50	$ 1,367,236.93
MC - C.O. #10			$ 26,362,375.17		$ 20,971.50	$ 2,684,312.89			$ 1,367,236.93
JULY 25	$ (593,675.10)		$ 25,768,700.07	$ (41,786.10)		$ 2,642,526.79	$ (15,830.10)		$ 1,351,406.83
Balance	$ (18,913,874.94)	$ 3,482,575.01	$ 25,768,700.07	$ (1,413,982.51)	$ 213,509.30	$ 2,642,526.79	$ (819,285.75)	$ 187,692.58	$ 1,351,406.83

Updated Contract Totals:	$ 44,682,575.01	$ 4,056,509.30	$ 2,170,692.58
Updated Contract Percentage:	101.21%	105.56%	109.47%

			$ 6,563,657.00			$ 908,368.00	$ -
			$ 6,563,657.00			$ 908,368.00	$ -
			$ 6,563,657.00			$ 908,368.00	$ -
			$ 6,563,657.00			$ 908,368.00	$ -
			$ 6,563,657.00			$ 908,368.00	$ -
			$ 6,563,657.00			$ 908,368.00	$ (128,097.90)
			$ 6,563,657.00			$ 908,368.00	$ (2,614,321.80)
			$ 6,563,657.00			$ 908,368.00	$ (1,774,550.70)
			$ 6,563,657.00			$ 908,368.00	$ (922,007.70)
$ (672,894.00)			$ 5,890,763.00			$ 908,368.00	$ (1,064,115.90)
$ (196,200.00)			$ 5,694,563.00	$ (29,300.40)		$ 879,067.60	$ (807,030.90)
			$ 5,694,563.00			$ 879,067.60	$ 48,810.00
			$ 5,694,563.00			$ 879,067.60	$ 83,886.00
			$ 5,694,563.00	$ (9,000.00)		$ 870,067.60	$ (634,513.50)
			$ 5,694,563.00			$ 870,067.60	$ (737,172.00)
	$ 94,078.70		$ 5,788,641.70			$ 870,067.60	$ 94,078.70
$ (76,950.00)			$ 5,711,691.70	$ (25,691.22)		$ 844,376.38	$ (779,638.32)
$ (222,250.50)			$ 5,489,441.20	$ (9,958.50)		$ 834,417.88	$ (510,270.30)
$ (356,045.70)			$ 5,133,395.50			$ 834,417.88	$ (896,275.20)
			$ 5,133,395.50			$ 834,417.88	$ 38,746.80
			$ 5,133,395.50			$ 834,417.88	$ 29,961.00
			$ 5,133,395.50			$ 834,417.88	$ (16,082.00)
$ (11,876.48)			$ 5,121,519.02			$ 834,417.88	$ (440,802.98)
			$ 5,121,519.02			$ 834,417.88	$ 23,194.84
$ (171,934.90)			$ 4,949,584.12			$ 834,417.88	$ (395,584.90)
$ (369,702.22)			$ 4,579,881.90			$ 834,417.88	$ (807,203.61)
			$ 4,579,881.90			$ 834,417.88	$ (105,624.00)
$ (50,755.77)			$ 4,529,126.13	$ (2,426.40)		$ 831,991.48	$ (157,538.23)
			$ 4,529,126.13			$ 831,991.48	$ 125,496.40
			$ 4,529,126.13			$ 831,991.48	$ (1,133,963.99)
			$ 4,529,126.13			$ 831,991.48	$ 184,376.76
			$ 4,529,126.13			$ 831,991.48	$ 2,931.50
			$ 4,529,126.13			$ 831,991.48	$ 6,990.50
			$ 4,529,126.13			$ 831,991.48	$ (8,929.80)

	$ 15,807.64	$ 4,544,933.77			$ 831,991.48	$ 15,807.64	
	$ 12,942.61	$ 4,557,876.38			$ 831,991.48	$ 12,942.61	
		$ 4,557,876.38			$ 831,991.48	$ 450,843.62	
	$ 83,325.68	$ 4,641,202.06			$ 831,991.48	$ 83,325.68	
	$ 40,721.04	$ 4,681,923.10			$ 831,991.48	$ 40,721.04	
		$ 4,681,923.10			$ 831,991.48	$ 13,981.00	
		$ 4,681,923.10			$ 831,991.48	$ 5,863.00	
		$ 4,681,923.10			$ 831,991.48	$ 27,445.36	
		$ 4,681,923.10			$ 831,991.48	$ -	
$ (118,256.09)		$ 4,563,667.01			$ 831,991.48	$ (118,256.09)	
$ (79,780.00)		$ 4,483,887.01			$ 831,991.48	$ (79,780.00)	
$ (15,603.79)		$ 4,468,283.22			$ 831,991.48	$ (509,668.11)	
		$ 4,468,283.22			$ 831,991.48	$ 8,794.50	
		$ 4,468,283.22			$ 831,991.48	$ 20,971.50	
		$ 4,468,283.22			$ 831,991.48	$ (26,789.40)	
		$ 4,468,283.22			$ 831,991.48	$ -	
		$ 4,468,283.22			$ 831,991.48	$ 5,038.49	
		$ 4,468,283.22			$ 831,991.48	$ 26,474.00	
		$ 4,468,283.22			$ 831,991.48	$ -	
		$ 4,468,283.22			$ 831,991.48	$ 11,726.00	
		$ 4,468,283.22			$ 831,991.48	$ 27,962.00	
		$ 4,468,283.22			$ 831,991.48	$ (35,719.20)	
		$ 4,468,283.22			$ 831,991.48	$ (45,084.37)	
		$ 4,468,283.22			$ 831,991.48	$ 8,794.50	
		$ 4,468,283.22			$ 831,991.48	$ 20,971.50	
		$ 4,468,283.22			$ 831,991.48	$ 43,248.59	
$ (139,437.82)		$ 4,328,845.40			$ 831,991.48	$ (139,437.82)	
	$ 32,871.78	$ 4,361,717.18			$ 831,991.48	$ 32,871.78	
		$ 4,361,717.18			$ 831,991.48	$ (26,789.40)	
		$ 4,361,717.18			$ 831,991.48	**$ 2,497,657.68**	
		$ 4,361,717.18			$ 831,991.48	$ 20,971.50	
		$ 4,361,717.18			$ 831,991.48	$ 8,794.50	
		$ 4,361,717.18			$ 831,991.48	$ -	
		$ 4,361,717.18			$ 831,991.48	$ (1,977,086.26)	

		$ 4,361,717.18			$ 831,991.48	$ (1,774,489.50)	
		$ 4,361,717.18			$ 831,991.48	$ (23,400.00)	
		$ 4,361,717.18			$ 831,991.48	$ (1,102,655.25)	
		$ 4,361,717.18			$ 831,991.48	$ (331,578.72)	
	$ 42,072.53	$ 4,403,789.71			$ 831,991.48	$ 42,072.53	
		$ 4,403,789.71			$ 831,991.48	$ 20,971.50	
		$ 4,403,789.71			$ 831,991.48	$ 8,794.50	
	$ 9,945.50	$ 4,413,735.21			$ 831,991.48	$ 9,945.50	
		$ 4,413,735.21			$ 831,991.48	$ (33,989.40)	
		$ 4,413,735.21			$ 831,991.48	$ (1,096,305.57)	
$ (298,933.02)		$ 4,114,802.19			$ 831,991.48	$ (353,293.02)	
		$ 4,114,802.19			$ 831,991.48	$ 4,285.06	
		$ 4,114,802.19			$ 831,991.48	$ (15,930.00)	
		$ 4,114,802.19			$ 831,991.48	$ 51,853.18	
		$ 4,114,802.19			$ 831,991.48	$ 3,166.87	
		$ 4,114,802.19			$ 831,991.48	$ 20,971.50	
		$ 4,114,802.19			$ 831,991.48	$ 8,794.50	
		$ 4,114,802.19			$ 831,991.48	$ 7,324.24	
		$ 4,114,802.19			$ 831,991.48	$ (1,744,954.87)	
		$ 4,114,802.19			$ 831,991.48	$ 8,794.50	
		$ 4,114,802.19			$ 831,991.48	$ 20,971.50	
		$ 4,114,802.19			$ 831,991.48	$ (651,291.30)	
$ (2,780,620.29)	$ 331,765.48	$ 4,114,802.19	$ (76,376.52)	$ -	$ 831,991.48	$ (19,788,597.64)	
						$ (19,788,597.64)	
		$ 6,895,422.48			$ 908,368.00	$ 58,713,567.37	
		105.05%			100.00%	$ 4,215,542.37	

EHXIBIT 15

Cedarbrook

January-2018

Rick Molchany

Cedarbrook

- **Priorities**
  - Mission of Cedarbrook is to provide the **“safety net”** for those who need long term nursing care
  - County has a fiscal responsibility to the tax payer
  - I approach these priorities equally

Cedarbrook

- **What we know!**
  - Need to modernize the facility
    - Verified by the 2014 paid evaluation of Cedarbrook operations by CHR
    - Verified by the 2015 Commissioner Task Force, (Reverend Wells)

Cedarbrook

- **What we know!**
  - 2016: Medical Assistance residents at Cedarbrook ~ 561
    - Previous 10 years ~ 565
  - 2016: Today ~240 beds, of the ~550 (MA) are dementia related, and we expect that number to grow

Cedarbrook
New Wing Plan

- New Wing
  - Rebuild the D wing, and build a New 240 Bed Wing
    - A wing opportunity (undefined revenue opportunity)
    - B & C wings can be converted to apartments, offices, storage, other (keep the auditorium, family, kitchen)
    - D wing bed count (after rebuilding): 246 beds
    - New wing bed count: 240 beds
      - Mathematics: 670 beds required, New = 240 beds; D wing = 246 beds; FH = 184
  - This will support the Mission, and permit Payer Mix revenue opportunities

Cedarbrook
New Wing Plan

- Operational Plan
  - Project revenue & expenses
    - 550 Medical Assistance
    - Payer Mix
      - 120 beds at improved payer mix
      - This will be a reduce our current MA metric (new: 82%)
  - Provides the County with the best opportunity to improve asset utilization
    - Both: campus and current facility systems

Cedarbrook
New Wing Plan

- Consider:
  - Mission
  - Total bed count
  - Payer Mix
  - Quality of Care

EHXIBIT 16

SCOPE OF WORK:

I.) General Facility

Perform a building audit of the Cedarbrook Allentown facility and provide a baseline assessment of the current facility conditions. All recommendations to improve systems must provide a budget cost plan, and a "global" schedule to efficiently rebuild/refurbish the facility.

Structure analysis includes:

- Wings: A, B, C & D
- Laundry Building
- Boiler House
- Parking
- Deliverables to include a site map showing the buildings with labels

Thorough analysis of the current HVAC SYSTEMS:

- Provide audit analysis for the steam distribution system and central boiler plant
- Provide audit analysis for the chilled water and DX cooling systems
- Provide audit analysis for the exhaust and ventilation duct systems, including kitchen exhaust hoods
- Provide audit analysis for "in-room" HVAC units and central air handling units

Thorough audit analysis of the current PLUMBING SYSTEMS:

- Provide audit analysis of domestic water systems; cold, hot, and recirc, water softener(s), water heaters and storage.
- Provide audit analysis of restrooms (including common area restrooms)
- Provide audit analysis of fire suppression system (including sprinklers)
- Provide audit analysis of all dinning/food service systems that are water dependent
- Provide audit analysis of medical oxygen system

Thorough audit analysis of the current SITE UTILITY SYSTEMS:

- Provide audit analysis, verify size/location of natural gas services
- Provide audit analysis, verify size/location of incoming water service connections
- Provide audit analysis, verify size/location of sanitary sewer service connections
- Provide audit analysis on storm water service connections
- Provide audit analysis of storm water surface drainage, detention facilities
    - Note: The county-owned high voltage aerial distribution system on campus, including pad-mount transformers, is not part of the audit.

Thorough audit analysis of the current ELECTRICAL SYSTEMS:

- Provide audit analysis of the switchgear system (including incoming service)
- Provide audit analysis of the electrical distribution systems
- Provide audit analysis of the lighting systems; including site lights
- Provide audit analysis of security system (including the "wander guard")
- Provide audit analysis of telecommunication systems
- Provide audit analysis of the emergency generators and distribution systems

Thorough Audit Analysis of the current Facility Structure/Systems

- Provide audit analysis of structure “soundness”
- Provide audit analysis of ceiling (including drop ceiling)
- Provide audit analysis of flooring and base. (including carpeting)
- Provide audit analysis of windows and doors
- Provide audit analysis of facility painting (inside and outside)
- Provide audit analysis of internal walls, including ceramic tile and vinyl wallcoverings.
- Provide audit analysis of the common rooms (i.e.: auditorium, family room)
- Provide audit analysis of office space
- Provide audit analysis of the roof (all wings)
- Provide audit analysis of the elevators
- Provide audit analysis of the external brick work, provide means to restore “look” and weatherproof
- Provide audit analysis to improve facility landscaping (including the roadside entrance)
- Provide audit analysis of Site Signage.
- Provide audit analysis of food service facility; including equipment.
- Provide audit of ADA features and requirements.

Hazmat Audit will not be a requirement of this audit.

II.) Rehabilitation of Cedarbrook Allentown

Conduct analysis to confirm the September 2014, Cedarbrook feasibility study (room accommodation improvements). This Option upgrades the existing facility but doesn't include any new additions. This new wing must meet all code requirements (including review by the Department of Health). Provide a final report with detailed descriptions to confirm (or recommend changes to) the feasibility study (including budget). Reports will become the basis for future "development of plans" for building rehabilitation construction. The number of current beds will be reduced.

- System enhancements to support this option will be identified in I.) General Facility
- Verify room improvements
- Verify bathroom improvements
- Verify bed counts available with the improvements
- Verify conformance to all local, state, federal building codes
- Verify conformance to Pennsylvania Department of Health
- Verify conformance with all Regulatory agencies and provide restriction considerations
- Verify new front entrance
- Provide price analysis for the facility rehabilitation construction project
    - By wing
    - By bed
    - By room upgrade
    - By facility system upgrade
- Provide bed counts for the facility
    - By wing (B, C & D wings)

III.) Rehabilitation and New Wing

Provide analysis and support to complete a budget and architectural/engineering feasibility study to rehabilitate the current B, C, & D wing (confirming the September 2014, Cedarbrook feasibility study for the room accommodation improvements) and attach a <u>new bed wing</u> for the Nursing Home. This new wing must meet all code requirements (including review by the Department of Health). Provide a final report with detailed descriptions to support building a new wing at the current Cedarbrook Allentown facility. The report should contain concept plans for review. From the concept plan, provide "budget costs" and "potential schedule to build-out additional wing". Reports will become the basis for future "development of plans" for building rehabilitation/expansion construction.

Final bed counts for Cedarbrook Allentown Campus (approximately)

- Low of 368 beds
- High of 473 beds

- System enhancements to support this option will be identified in I.) General Facility
- Provide floor access to the current facility
- New wing analysis must include Zoning, (South Whitehall)
- Provide enhancement for the front entrance
- New wing (per floor)
    - Bed layout must have two private rooms, with all other rooms not to exceed two
    - Resident activity room at the end of the hallway
    - Resident Dining room, one per floor
    - New wing rooms will each have complete bathroom facilities including: shower, toilet, sink
    - New wing will have complete facility systems unique to this wing
        - Including nursing station, nursing staff locker room, nursing staff lounge, public restrooms, small central bathroom for nursing to provide necessary care for residents to need assistance, Soiled and clean linen station, elevators, emergency generators, sprinkler protection, stair case, storage, janitor closet, mechanical/electrical maintenance room
    - New wing will have general facility/MEP systems consistent with the rehabilitated D wing
        - Determine if existing steam boiler plant and distribution, and other utilities, are capable of serving the new wing
    - New wing must provide reconfigured parking based on site circulation plan
    - New wing analysis must provide storm water control plan
    - Provide price analysis for the facility rehabilitation construction project
        - By wing
        - By bed
        - By room upgrade
        - By facility system upgrade
    - Provide bed counts for the facility
        - By wing (New, B, C & D wings)

IV.) New Facility

Provide analysis and planning support to complete a budget and architectural/engineering feasibility study to build a <u>new</u> Nursing Home. This new facility must meet all code requirements (including review by the Department of Health). Report must include concept plans, "budget cost" and "potential schedule of build-out". Study will become the basis for future "development of plans" for building rehabilitation/expansion construction

Final bed counts for Cedarbrook Allentown Campus (maintaining Fountain Hill)

- Low of 368 beds
- High of 473 beds

Final bed counts for Cedarbrook Allentown Campus (eliminating Fountain Hill)

- Low of 565 beds
- High of 670 beds

- Provide the most efficient layout to support Skilled Nursing Facility
    - 60-bed units are ideal (therefore, beds recommended are approximations)
    - New facility should have 12 private rooms per floor and balance no more than two/room
- New facility analysis must include Zoning, (South Whitehall) (if built on existing Campus)
- If the new facility requires a new location, provide all the associated costs to purchase and prepare the land to build a nursing home
- Required
    - a full operating commercial kitchen, and separate dining area for each resident wing, private ambulance entrance, medical and dental suites, a pharmacy, therapy center, auditorium, and chapel, library, various lounges and activity rooms for the residents
- Required
    - New facility will have complete systems on each floor, such as:
        - Including nursing station, nursing staff locker room, nursing staff lounge, public restrooms, small central bathroom for nursing to provide necessary care for residents to need assistance, Soiled and clean linen station, elevators, emergency generators, sprinkler protection, stair case, storage, janitor closet, mechanical/electrical maintenance room
- Required
    - Facility systems to include mechanical, plumbing, fire protection, laundry equipment, food service equipment, electrical and telecommunication work, and site improvements. MEP infrastructure should be independent from existing boiler house and existing utilities
    - Include a number of courtyards and landscaped areas.
    - Include appropriate parking lots (for Employees, Visitors, Vendors)

- Option
    - In-house laundry

V.) Conversion to Apartments

Provide analysis and planning support to complete a budget and architectural/engineering feasibility study to rehabilitate the B, C & D wings into apartments. This apartment plan must meet all code requirements (including review by the Department of Health). Report must include concept plans, "budget cost" and "potential schedule of build-out". Study will become the basis for future "development of plans" for building rehabilitation/expansion construction.

- Similar facility plan as the A wing (Brookview Apartment)
- System enhancements to support this option will be identified in I.) General Facility
- Apartment analysis must include Zoning, (South Whitehall)
- Current Auditorium will remain
- Family Room will remain
- Kitchen space is available to be repurposed
- C wing offices will remain
- Chapel, Library is available to be repurposed
- Physical therapy space is available to be repurposed

VI.) Demolition

Provide analysis and planning support to complete a budget and architectural/engineering feasibility study to demolish Cedarbrook Allentown facilities. This demolition plan must meet all code requirements (including review by the Department of Health). Report must include concept plans, "budget cost" and "potential schedule of build-out". Study will become the basis for future "development of plans" for building rehabilitation/expansion construction.

- All facilities need to be returned to open space and accommodate landscaping
    - Grass planting included

VII.) Stakeholder meetings

- Conduct at least three (4) “stakeholder” meetings, to clarify facility needs, wants and expectations:
    - First Meeting: Kickoff, Meet with Cedarbrook project designee team (TBD) and review project expectations. Adjust expectations as required.
    - Second Meeting: 30% review, Meet with Cedarbrook project designee team (TBD) and review project expectations. Adjust expectations as required.
    - Third Meeting: 75% review, Meet with Cedarbrook project designee team (TBD) and adjust expectation to complete the study.
    - Fourth meeting: Present report analysis to the Executive and Board of Commissioners.

Note: This study must provide the details necessary to determine the best facility option for Cedarbrook Nursing Home. Cost estimates need to be accurate, and it is our expectation that this study will provide us expense estimates within 10% of actual construction.

EHXIBIT 17

Cedarbrook Vendor Review
Agenda
May 30, 2018

- Introduction of participants (All)
  - Five minutes

- Expectation for the meeting (Rick)
  - Ten minutes

- Questions for review (Rick to ask the questions, vendors to provide response)
  - Fifteen minutes for each question

Questions for review:

1. With recent PA DOH regulation changes that require bathrooms (toilet, sink, shower) to be available for all residents on a ratio of 2:1; how will you advise the County to perform upgrades to the D-wing to maintain bed counts. Our Home will use the D-wing to house dementia residents; therefore, the need for individual bathrooms may be diminished? Currently Cedarbrook has a PA DOH waiver permitting communal bathrooms; therefore, renovation improvements may have to be managed to maintain that waiver.
   a. Do you recommend less construction?
      i. Keeping the D-wing with communal bathrooms
   b. If the original renovation plan construction places us in a position requiring the new regulations will you provide the necessary paperwork to successfully petition the PA DOH to provide waivers and continue with the initial bathroom plan?
   c. Other?
2. This is a “public money” project and we need to provide the best value to both our residents of Cedarbrook and the taxpayer base who will fund the project.
   a. Do you have any ideas on how you would save the project money?
      i. Do you have project saving models that you can supply to us that may provide a template for this project?
      ii. Have you ever performed a savings model that created opportunity to save money that resulted in savings and possibly a share in those savings?
      iii. Other?
3. Specifically discuss your A & E team experience and how that experience will provide the County of Lehigh the best plan for supporting our residents and taxpayers?
   a. With respect to Skilled Nursing Home:
      i. Design
      ii. Construction
      iii. Project budget to control costs
      iv. PA Dept of Health expertise
      v. Creativity
      vi. Why should we select you?

- Adjourn

EHXIBIT 18

SKANSKA

Lehigh County| Cedarbrook Phase 1B – Skilled Nursing Addition

Monthly Report – July 2025

Monthly Highlights

Work on site this month continued to be primarily under the PJ Dick with steel erection as the focus. Work for Albarell & Myco was limited with access provided to on the 1st level steel in late July. Preparation commenced for concrete deck pours.

Steel erection remained the primary focus on site in July. With significant progress made. Residual effects from the out of sequence deliveries hindered some steel activity with time spent double handling the steel.

PJ Dick's site contractor, Bean did not return to the site for active work in July due to payment issues between PJ Dick & Bean returning only to perform a limited scope to allow steel erection to continue.

Performance began preparation for concrete deck pours in the basement anticipated to begin mid-August.

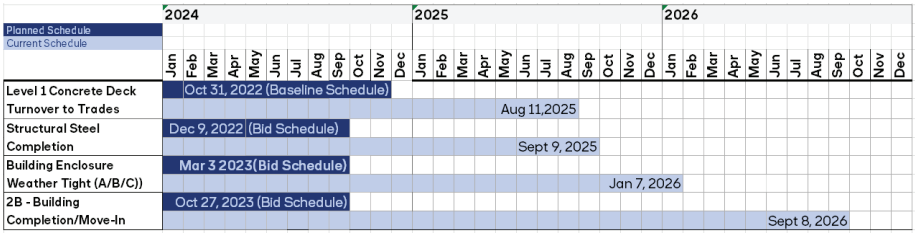
PJ Dick continues to struggle with overall site management providing minimal efforts and addressing the bare minimum requirements of the site's E&S controls.

Bang-it hangers were installed on the first level basement for both Albarell & Myco.

Key Performance Indicators

Schedule	🔴
Budget	🟡
Safety	🟡
Permitting	🟢
Minimize Operational Impacts	🟡
Construction Logistics	🟡
Quality	🟡
Communication	🔴
General Contractor Performance	🔴

Schedule Milestones



Key Concerns & Decisions

Schedule

- Overall project schedule is approximately 35 months behind schedule, consistent with the previously submitted June 2025 schedule. The July schedule is in progress.
- Project Schedule updates inclusive of coordination with other prime contractors continues to be an area of concern needing vast improvement. Skanska continues to work with PJ Dick for compliance with the contractual schedule process.
- Timely submissions of the project schedule with accurate and realistic activity information and coordination is a constant struggle.
- Without a realistic schedule with accurate dates, primes are struggling to plan/schedule work.
- Ongoing efforts to minimize operational impacts, improve contractor performance and make-up time with the overall schedule are critical and require improvement.
- Non-compliance remediation has potential for schedule and cost impacts.

Financial

- Storage costs for Myco MC, Myco PC & Albarell continue to be reviewed for approval.
- Efforts to resolve costs are in progress. Resubmissions of select outstanding pending costs: legacy costs, credits and outstanding site costs by PJ Dick. No reconciliation to date.
- Albarell to address legacy costs. No reconciliation to date.
- Anticipated credit back charges are being tracked for reconciliation with prime contractors, no reconciliation of outstanding credits.
- Reconciliation of the ground improvements is in progress but without agreement.

Construction Logistics/Operational Impacts

- Stage 2A Re-paving effort & Drive E hydrant:– Target completion is end of project.
- Tie-Ins to existing building to be planned to mitigate risk of impact to the facility.
- Landscaping NCR Rework: Lack of plan pushed any rework to Fall 2025 – PJD reneging on prior commitment to address the NCR.

Quality

- Lack of planning & coordination continues to impact the quality of work, resulting in increased time to complete and rework.
- Scheduled third party inspectors onsite ensuring compliance with design requirements.
- Non-conformance items tracked requesting immediate response.

Safety

- PJ Dick continues with a full-time safety inspector per contract requirements
- Skanska routine safety inspections are performed daily.
- Compliance notices issued immediately with and follow-up to ensure site safety.

Permits

- DOH – Continued collaboration with DOH for building related items.

SKANSKA

Plan West to East

Plan North to South

Plan South to North

Steel - Plan NE to SW

Plan NE to SW

1st Level Decking Bang-its & Sleeves

A-SOG (outside D-Wing)

Project Financials

Budget & Cost Summary

TOTAL PROJECT BUDGET
$59,770,683
Owner & Construction Cost of Work + Contingency

Construction Budget
$54,498,025
91% of total project budget

Owner Budget
$0
0% of total project budget

Contingencies
$5,272,658
9% of total project budget

Under Contract
$54,643,025
100% of the project bought out

Pending Contracts
$0
0% of the project pending

[CONT 001 - Construction Contingency]

$ Original:	$2,775,000
$ Remaining Current:	$1,093,785
$ Remaining Anticipated:	$740,636

61%
Spent Budget

[CONT 002 - GC-CCD-004 Contingency]

$ Original:	$2,497,658
$ Remaining Current:	$700,478
$ Remaining Anticipated:	$414,050

72%
Spent Budget

Spent To Date

Spent To Date
$25,576,770
43% Invoiced to date

Cost To Completion
$29,066,255
Amount under contract - invoiced

Change Event

Change Status	Amount	Count
Approved:	$3,610,613	61
Submitted to Owner for Approval:	$23,690	0
Pending:	$1,420,935	47
Rejected:	$2,922,254	46
Approved Budget Modifications:	$0	0
Change as of % of Orig Budget:	6.0%	
Change Amount Submitted:	$7,305,373	
Change Amount Approved: (Includes Back Charges)	$3,463,091	

Allowances

Allowance Status	Amount	Count
Budget Amount:	$335,000	7
Contract Amount:	$335,000	7
Invoiced:	$64,925	2
Approved:	$95,402	4
Pending:	$32,573	1
Rejected:	$7,500	1

Key Contracts

[P.J. Dick, Inc. / GC-001] [001 - GC - General Contractor]

Base Contract Amount:	$41,200,000
Contract Changes to Date:	$2,745,427
Total Amount:	$43,945,427
Invoiced to Date:	$20,077,418
Remaining Contract Amount:	$23,868,009

54% % Remaining

[Myco Mechanical, Inc - MC / MC-002] [002 - MC - Mechanical Contractor]

Base Contract Amount:	$3,793,000
Contract Changes to Date:	$213,509
Total Amount:	$4,006,509
Invoiced to Date:	$1,482,720
Remaining Contract Amount:	$2,523,790

63% % Remaining

[Myco Mechanical, Inc. - PC / PC-003] [003 - PC - Plumbing Contractor]

Base Contract Amount:	$1,953,000
Contract Changes to Date:	$187,693
Total Amount:	$2,140,693
Invoiced to Date:	$875,140
Remaining Contract Amount:	$1,265,553

59% % Remaining

[Albarell Electric, Inc. / EC-004] [004 - EC - Electrical Contractor]

Base Contract Amount:	$6,453,657
Contract Changes to Date:	$331,765
Total Amount:	$6,785,422
Invoiced to Date:	$2,991,705
Remaining Contract Amount:	$3,793,717

56% % Remaining

[S.A. Comunale Co. Inc / FP-005] [005 - FP - Fire Protection Contractor]

Base Contract Amount:	$908,368
Contract Changes to Date:	$0
Total Amount:	$908,368
Invoiced to Date:	$84,863
Remaining Contract Amount:	$823,505

91% % Remaining

EHXIBIT 19

August 22, 2025

Via email:

To: All Primes

RE: Lehigh County Cedarbrook Expansion – July 2025 Project Schedule Update Comments

The twenty second CPM update for Lehigh County Cedarbrook Senior Care & Rehab has a data date of July 26, 2025. Substantial Completion is currently projected for June 6, 2026, 61 calendar days later than the previously projected substantial completion date of April 2, 2026, and 1041 calendar days later than the contractual milestone July 28, 2023. Final Completion is projected for September 8, 2026, 75 calendar days later than the May 27, 2026, date in the previous update and 1048 calendar days later than the contractual milestone date of October 27, 2023.

The substantial completion date has not slipped since the last submission, but it is not on target and there have been no efforts as far as a recovery schedule.

A comparison of all contract milestone dates can be found on the table below:

		Bid Schedule	Baseline	Update 21	Update 22
Data Date		--	3/14/2022	6/19/2025	7/26/2025
MILE_1000	Project Start (NTP)	10/1/2021	10/11/2021	10/6/2021	10/6/2021
MILE_1010	Mobilization on Site / Start of Construction	10/4/2021	12/29/2021	1/3/2022	1/3/2022
MILE_1080	Stage 1A Complete	12/10/2021	2/16/2022	6/1/2022	6/1/2022
MILE_1090	Stage 1B Complete	4/1/2022	5/18/2022	9/8/2025	9/8/2025
MILE_1100	Stage 2A Complete	5/13/2022	6/22/2022	12/9/2022	12/9/2022
MILE_1130	Level 1 Concrete Deck Turnover to Trades		10/31/2022	8/11/2025	8/11/2025
MILE_1020	Building Ready for Interior Work (Non-Moisture Sensitive)		11/11/2022	9/5/2025	9/26/2025
MILE_1120	Building Enclosure Weathertight A/B		11/11/2022	1/7/2026	1/7/2026

MILE_1040	Steel Complete	12/9/2022	11/14/2022	8/18/2025	9/9/2025
MILE_1030	Foundations Complete	9/16/2022	11/22/2022	6/20/2025	7/28/2025
MILE_1210	Temporary Conditioning Online (Using Permanent Building Systems) start	3/13/2023	12/29/2022	2/10/2026 (start)	2/10/2026 (start)
MILE_1250	Permanent Power Complete	2/27/2023	11/29/2022	1/7/2026	1/7/2026
MILE_1200	Building Enclosure Weathertight C	3/3/2023	2/16/2023	12/29/2025	1/6/2026
MILE_1190	Exterior Façade Complete		2/23/2023	3/5/2026	3/5/2026
MILE_1240	Complete Construction Penthouse	2/28/2023	2/28/2023	1/30/2026	1/30/2026
MILE_1220	Temporary Heat with Permanent Systems (start)		3/16/2023	2/10/2026 (start)	2/10/2026 (start)
MILE_1230	Elevators 9003 & 9004 Temporarily Operational	3/31/2023	2/24/2023	3/3/2026	4/7/2026
MILE_1140	Complete Construction 4th Floor		4/5/2023	5/1/2026	5/1/2026
MILE_1150	Complete Construction 3rd Floor		5/5/2023	4/27/2026	4/27/2026
MILE_1110	Stage 2B Initial Sitework Complete	6/23/2023	6/19/2023	4/16/2026	4/16/2026
MILE_1160	Complete Construction 2nd Floor		6/14/2023	4/27/2026	4/27/2026
MILE_1180	Complete Construction Basement Floor		6/16/2023	4/9/2026	4/9/2026
MILE_1050	TAB complete	6/19/2023	6/26/2023	4/28/2026	4/28/2026
MILE_1170	Complete Construction 1st Floor		7/19/2023	4/15/2026	4/15/2026
MILE_1060	Substantial Completion (7/28/2023 Contractual Completion Date)	7/28/2023	7/28/2023	6/2/2026	6/2/2026

MILE_1070	Project Completion/Owner Move In	10/27/2023	10/30/2023	9/8/2026	9/8/2026

General Update Comments:

1. The data date of this schedule update is (7/26/25) showing progress up to 7/25/2025. The current update was received on August 8, 2025, with narrative dated August 8, 2025. The previous schedule update from PJD had a data date of June 19,2025 and narrative from PJD dated July 18, 2025. It is noted P.J. Dick did not submit a monthly update for May 26, 2025. The current update was submitted timely by PJD, within 2 weeks of the data date.

2. Project overall Substantial Completion date is projecting June 2, 2026 (activity ID: MILE_1060)(Consistent with the previous month 6/19/25 update)
    a. The project is on schedule compared to the previous update provided by PJD with data date 6/19/2025. Progress was completed on the Area B Steel Erection, deck and Joists activities on July 25, 2025 (Activity, STRUCT_B_1250, Area B: Deck and Detail – Fl. 3). It is noted that although floor 3 was completed per plan, Area B - floor 2 Deck and Detail completed 7 workdays later than previous. In addition, Area B floors 3 and 4, Erect Steel & Joists, complete 9 and 6 workdays later than the previous schedule.

3. Critical Path (Longest Path)

    Longest Path / Critical Path (-723 Float)

    - PJD states the critical path is on target per the previous schedule update with a Substantial Completion date of 6/2/2026.
    - The critical path in the current update starts Structural Steel with activity, Area B: Deck and Detail – Fl 3, which completed 7/25/25. The critical path then goes to, Install Hydronic Pipe Bang-Its and Sleeves - 1Core (Basement OH) and Install Ductwork Bang-Its and Sleeves - 1Core (Basement OH). The critical path then runs through concrete on deck for level 1 Core, followed by, Apply Fireproofing Core area from level 1 to roof running from 8/11/25 to 12/1/25. The critical path then runs through Penthouse Hanger and duct install to ACT rough-in and wiring to ATC programming to 'Startup of Penthouse Equipment' to 'Temporary Conditioning on-line' on 2/10/2025 (74 workdays later than previous, 10/23/25 to 2/10/26). The critical path then leads to Gypsum Wall Board installation on the 1st floor of Area A & B then to GWB 2nd, 3rd and 4th floors A & B (newly added activities by P.J. Dick in the current update). The critical path then runs through 4th floor finishes (Prime Paint, Ceiling Grid, Millwork / Casework, flooring & base, Div 10 Specialties in Areas A & B (Areas A and B finish work still remains concurrent where previously they were staggered by 3 weeks). The critical path then run to activity, CLOSEOUT_1130, 'Perform Punchlists 4th Flr', then to activity, CLOSEOUT_1190, Demobilization and Remove Construction Fence' (from 5/11/25 to 5/22/25) then to, SITE_1440, 'Stage 2B: Final Wearing Course', from 5/26 to 6/1/26 then to Substantial Completion on 6/2/26. (Substantial Completion milestone is not on the longest path in the current update, this should be corrected). Also noted, Final Grade and Seed Basin activity is on a 'seeding calendar' which holds up working on the seeding until after 9/1/2027 – this activity is on the critical path and driving Final Completion to 9/8/2026.

4. Planned Percent Complete KPI – over the course of the current update period, in its June 19, 2025 schedule update, P.J. Dick planned to complete 61 activities, while its current July 25, 2025, schedule update shows 8 activities actually completed during the period. This equals a PPC of 8 / 61 or 13%. This is an indication of P.J. Dick not meeting its plan schedule dates during the update period, slow progress and slippage on available work as well as failure to meet its planned progress.

5. Slippage on near-critical work – P.J. Dick's schedule updates have continuously shown slippage on near-critical work or work within 3 weeks of the most critical path. This shows P.J. Dick's failure to progress the job and indicates continued failure to perform work in a timely manner and not meet plan dates in the schedule.

Activity ID	Activity Name	Original Duration	Remaining Duration	Total Float	Start	Finish	BL1 Start	Variance - BL1	BL1 Finish	Variance - BL1 Finish	BL1 Total Float	Variance - BL1
PJ DICK_CEDARBROOK_26Jul25												
SITE_2260	Install Retaining Wall (East Side)	5	5	-705	09-Apr-26	15-Apr-26	26-Feb-26	-30	04-Mar-26	-30	-675	0
SITE_2250	Install Fencing around Main Entrance Parking Circle	3	3	-705	06-Apr-26	08-Apr-26	23-Feb-26	-30	25-Feb-26	-30	-675	0
SITE_2230	Install Ramp and Handrails between Main Parking Lot and Main Entry	10	10	-705	23-Mar-26	03-Apr-26	09-Feb-26	-30	20-Feb-26	-30	-675	0
STRUCT_C_1270	Cure Concrete on Deck - 2C	3	3	-969	24-Sep-25	26-Sep-25	29-Aug-25	-26	31-Aug-25	-26	-943	0
MILE_1030	Foundations Complete	0	0	-554		28-Jul-25		-25	20-Jun-25	-25	-636	0
MILE_1230	Elevators 9003 & 9004 Temporarily Operational	0	0	-683		07-Apr-26		-25	03-Mar-26	-25	-658	0

Activity ID	Activity Name	Original Duration	Remaining Duration	Total Float	Start	Finish	BL1 Start	Variance - BL1	BL1 Finish	Variance - BL1 Finish	BL1 Total Float	Variance - BL1
SITE_2300	Install Emergency Generator, Load Bank and Docking Station	15	15	-621	18-Nov-25	10-Dec-25	14-Oct-25	-25	03-Nov-25	-25	-596	0
SITE_2310	Install Fence around Generator	2	2	-621	11-Dec-25	12-Dec-25	04-Nov-25	-25	05-Nov-25	-25	-596	0
SITE_2320	Install Final Signage	2	2	-621	15-Dec-25	16-Dec-25	06-Nov-25	-25	07-Nov-25	-25	-596	0
ENC_SW_A/B_1050	Install Entrance Doors	3	3	-577	31-Oct-25	04-Nov-25	26-Sep-25	-25	30-Sep-25	-25	-552	0
ENC_SW_A/B_1030	Apply EIFS & Insulation at Canopies	2	2	-648	29-Oct-25	30-Oct-25	24-Sep-25	-25	25-Sep-25	-25	-623	0
ENC_SW_A/B_1040	Install Railings	2	2	-577	29-Oct-25	30-Oct-25	24-Sep-25	-25	25-Sep-25	-25	-552	0
ENC_SW_A/B_1010	Install Windows and Doors at Canopies	4	4	-644	21-Oct-25	24-Oct-25	16-Sep-25	-25	19-Sep-25	-25	-619	0
ENC_SW_A/B_1020	Install Suspended Ceilings and Soffits at Canopies	6	6	-648	21-Oct-25	28-Oct-25	16-Sep-25	-25	23-Sep-25	-25	-623	0
ENC_WEST_A1040	Apply Air Vapor Barrier Basement	1	1	-587	28-Jul-25	28-Jul-25	20-Jun-25	-25	20-Jun-25	-25	-562	0
INT_2ND B_1150	Install VAVs	1	1	-713	31-Dec-25	31-Dec-25	21-Nov-25	-25	21-Nov-25	-25	-688	0
INT_2ND B_1230	Conduct In-Wall Inspections (Building, Electrical, Plumbing)	3	3	-710	07-Jan-26	09-Jan-26	01-Dec-25	-25	03-Dec-25	-25	-685	0
INT_2ND B_1100	Controls Rough-In - Wire	5	5	-676	02-Jan-26	08-Jan-26	24-Nov-25	-25	02-Dec-25	-25	-651	0
INT_2ND B_2368	HVAC Piping Install - Area B	4	4	-715	17-Dec-25	22-Dec-25	10-Nov-25	-25	13-Nov-25	-25	-690	0
INT_2ND B_2378	ATC Rough-In - Wire - Area B	5	5	-713	23-Dec-25	30-Dec-25	14-Nov-25	-25	20-Nov-25	-25	-688	0
INT_2ND B_2398	HVAC Unit Connections - Area B	2	2	-713	02-Jan-26	05-Jan-26	24-Nov-25	-25	25-Nov-25	-25	-688	0
INT_2ND B_2408	ATC Unit Connections - Area B	2	2	-713	02-Jan-26	05-Jan-26	24-Nov-25	-25	25-Nov-25	-25	-688	0
INT_2ND B_2418	HVAC Pipe Testing - Area B	1	1	-713	06-Jan-26	06-Jan-26	26-Nov-25	-25	26-Nov-25	-25	-688	0
INT_2ND B_2428	HVAC Duct Insulation - Area B	10	10	-668	07-Jan-26	20-Jan-26	01-Dec-25	-25	12-Dec-25	-25	-643	0
INT_2ND B_1250	GWB Hang Partitions - Corridor/Common Areas	5	5	-703	05-Jan-26	09-Jan-26	25-Nov-25	-25	03-Dec-25	-25	-678	0
INT_2ND B_2560	GWB Smoke Seal - Corridor/Common Areas	6	6	-703	12-Jan-26	19-Jan-26	04-Dec-25	-25	11-Dec-25	-25	-678	0
INT_2ND B_1630	GWB Hang Partitions - Rooms	10	10	-710	12-Jan-26	23-Jan-26	04-Dec-25	-25	17-Dec-25	-25	-685	0
INT_2ND B_2570	GWB Smoke Seal - Rooms	6	6	-710	26-Jan-26	02-Feb-26	18-Dec-25	-25	26-Dec-25	-25	-685	0
INT_1ST A_1444	1st Floor Start Milestone	0	0	-566	21-Oct-25		16-Sep-25	-25		-25	-541	0
INT_1ST B_1520	MEP Material Onsite and Ready for Install	0	0	-715	11-Dec-25		04-Nov-25	-25		-25	-690	0
INT_1ST B_1150	Install VAVs	1	1	-710	24-Dec-25	24-Dec-25	17-Nov-25	-25	17-Nov-25	-25	-685	0
INT_1ST B_1220	Conduct In-Wall Inspections (Building, Electrical, Plumbing)	3	3	-710	31-Dec-25	05-Jan-26	21-Nov-25	-25	25-Nov-25	-25	-685	0
INT_1ST B_1100	Controls Rough-In - Wire	5	5	-672	26-Dec-25	02-Jan-26	18-Nov-25	-25	24-Nov-25	-25	-647	0
INT_1ST B_1410	Install Sprinkler Pipe Mains	8	8	-672	11-Dec-25	22-Dec-25	04-Nov-25	-25	13-Nov-25	-25	-647	0
INT_1ST B_2218	HVAC Piping Install - Area B	4	4	-715	11-Dec-25	16-Dec-25	04-Nov-25	-25	07-Nov-25	-25	-690	0
INT_1ST B_2228	ATC Rough-In - Wire - Area B	5	5	-710	17-Dec-25	23-Dec-25	10-Nov-25	-25	14-Nov-25	-25	-685	0
INT_1ST B_2248	HVAC Unit Connections - Area B	2	2	-710	26-Dec-25	29-Dec-25	18-Nov-25	-25	19-Nov-25	-25	-685	0
INT_1ST B_2258	ATC Unit Connections - Area B	2	2	-710	26-Dec-25	29-Dec-25	18-Nov-25	-25	19-Nov-25	-25	-685	0
INT_1ST B_2268	HVAC Pipe Testing - Area B	1	1	-710	30-Dec-25	30-Dec-25	20-Nov-25	-25	20-Nov-25	-25	-685	0
INT_1ST B_2278	HVAC Duct Insulation - Area B	10	10	-652	31-Dec-25	14-Jan-26	21-Nov-25	-25	08-Dec-25	-25	-627	0

6. Out of Sequence Progress – There is (1) activity with out-of-sequence progress –Excavation for Retaining Wall Foundation. PJD has corrected other issues with OOS work from the previous update.

```
Out-of-sequence activities.....................................1
       Project:       CED-PJ26Jul25   Activity:      COURT_1000      Courtyard: Excavate for Retaining Wall Foundation
```

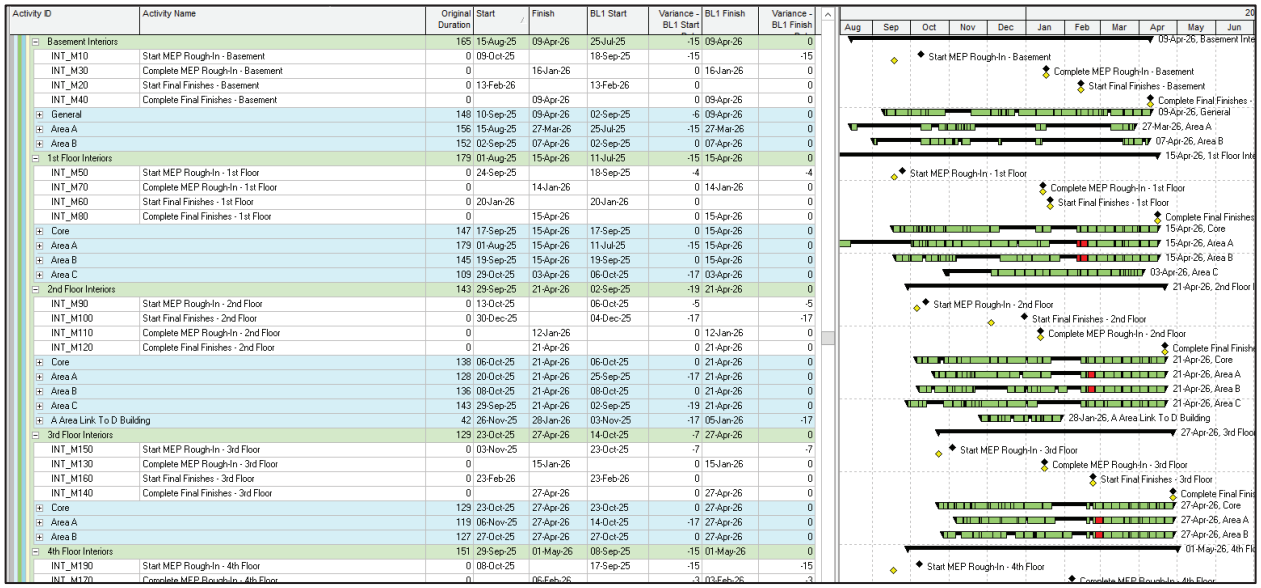
a. Trade Stacking, working multiple areas at concurrent time - P.J. Dick did address the trade stacking for Spray Fireproofing in the previous update but failed to address the other trades identified which

show excessive trade stacking (i.e.: Ductwork Bang-its, GWB, Smoke Seals, Framing Exterior, Final Paint). The county has requested in several previous schedule review memos PJ Dicks plan for how it will achieve the stacking shown within its master schedule, included projected manpower loading and number of crews necessary to support its schedule. PJ Dick continues to fail to address the trade stacking and ignore the county's requests.

7. Weather Impacts – P.J. Dick noted no weather days impacting the schedule this month. The county has yet to receive backup weather data and specific impacted days from PJ Dick for its previously noted weather impact days.

8. Schedule revisions by P.J. Dick – during the update, P.J. Dick made revisions, as noted in its narrative and included change report. In the current update there were, 21 deleted activities, 5 added activities, 156 relationship changes, 160 lead-lag changes, 1 description change, 0 original duration changes, and 743 changes to total float (most of which increased indicating large amount of slippage update to update).

9. Review of Floor finish work. Below shows a comparison of the floor summary work as compared to the previous update. It can be seen generally PJ Dick is on plan with its previous update, however slippage month over month can be seen in Start of MEP Rough-in work on several floors as well as slippage in start of finish work. Also noted is the number of floors working at the same and completing at the same time which is evident in the previous comment about trade stacking.



Activity ID	Activity Name	Original Duration	Start	Finish	BL1 Start	Variance - BL1 Start	BL1 Finish	Variance - BL1 Finish
Basement Interiors		165	15-Aug-25	09-Apr-26	25-Jul-25	-15	09-Apr-26	0
INT_M10	Start MEP Rough-In - Basement	0	09-Oct-25		18-Sep-25	-15		-15
INT_M30	Complete MEP Rough-In - Basement	0		16-Jan-26		0	16-Jan-26	0
INT_M20	Start Final Finishes - Basement	0	13-Feb-26		13-Feb-26	0		0
INT_M40	Complete Final Finishes - Basement	0		09-Apr-26		0	09-Apr-26	0
General		148	10-Sep-25	09-Apr-26	02-Sep-25	-6	09-Apr-26	0
Area A		156	15-Aug-25	27-Mar-26	25-Jul-25	-15	27-Mar-26	0
Area B		152	02-Sep-25	07-Apr-26	02-Sep-25	0	07-Apr-26	0
1st Floor Interiors		179	01-Aug-25	15-Apr-26	11-Jul-25	-15	15-Apr-26	0
INT_M50	Start MEP Rough-In - 1st Floor	0	24-Sep-25		18-Sep-25	-4		-4
INT_M70	Complete MEP Rough-In - 1st Floor	0		14-Jan-26		0	14-Jan-26	0
INT_M60	Start Final Finishes - 1st Floor	0	20-Jan-26		20-Jan-26	0		0
INT_M80	Complete Final Finishes - 1st Floor	0		15-Apr-26		0	15-Apr-26	0
Core		147	17-Sep-25	15-Apr-26	17-Sep-25	0	15-Apr-26	0
Area A		179	01-Aug-25	15-Apr-26	11-Jul-25	-15	15-Apr-26	0
Area B		145	19-Sep-25	15-Apr-26	19-Sep-25	0	15-Apr-26	0
Area C		109	29-Oct-25	03-Apr-26	06-Oct-25	-17	03-Apr-26	0
2nd Floor Interiors		143	29-Sep-25	21-Apr-26	02-Sep-25	-19	21-Apr-26	0
INT_M90	Start MEP Rough-In - 2nd Floor	0	13-Oct-25		06-Oct-25	-5		-5
INT_M100	Start Final Finishes - 2nd Floor	0	30-Dec-25		04-Dec-25	-17		-17
INT_M110	Complete MEP Rough-In - 2nd Floor	0		12-Jan-26		0	12-Jan-26	0
INT_M120	Complete Final Finishes - 2nd Floor	0		21-Apr-26		0	21-Apr-26	0
Core		138	06-Oct-25	21-Apr-26	06-Oct-25	0	21-Apr-26	0
Area A		128	20-Oct-25	21-Apr-26	25-Sep-25	-17	21-Apr-26	0
Area B		136	08-Oct-25	21-Apr-26	08-Oct-25	0	21-Apr-26	0
Area C		143	29-Sep-25	21-Apr-26	02-Sep-25	-19	21-Apr-26	0
A Area Link To D Building		42	26-Nov-25	28-Jan-26	03-Nov-25	-17	05-Jan-26	-17
3rd Floor Interiors		129	23-Oct-25	27-Apr-26	14-Oct-25	-7	27-Apr-26	0
INT_M150	Start MEP Rough-In - 3rd Floor	0	03-Nov-25		23-Oct-25	-7		-7
INT_M130	Complete MEP Rough-In - 3rd Floor	0		15-Jan-26		0	15-Jan-26	0
INT_M160	Start Final Finishes - 3rd Floor	0	23-Feb-26		23-Feb-26	0		0
INT_M140	Complete Final Finishes - 3rd Floor	0		27-Apr-26		0	27-Apr-26	0
Core		129	23-Oct-25	27-Apr-26	23-Oct-25	0	27-Apr-26	0
Area A		119	06-Nov-25	27-Apr-26	14-Oct-25	-17	27-Apr-26	0
Area B		127	27-Oct-25	27-Apr-26	27-Oct-25	0	27-Apr-26	0
4th Floor Interiors		151	29-Sep-25	01-May-26	08-Sep-25	-15	01-May-26	0
INT_M190	Start MEP Rough-In - 4th Floor	0	08-Oct-25		17-Sep-25	-15		-15
INT_M170	Complete MEP Rough-In - 4th Floor	0		06-Feb-26		-3	03-Feb-26	-3

PJ Dick continues to struggle to provide an accurate project schedule. The July submission did show improvement to align with the process outlined in the project specifications. Concerns that continue to exist despite continuous correspondence identifying the lack of compliance. Examples include but are limited to the following:

1. Failure to properly coordinate construction activities and progress reporting with other trade partners.
2. Failure to monitor and measure accurate progress.
3. Failure to provide a recovery schedule identifying efforts to recover time.

Previously identified trade stacking continues to exist and poses a risk to the completion of the project. Manpower commitments should be provided by PJ Dick for each stacked trade ensuring the available manpower to support the notion that the projected schedule activities can be achieved. The prime trade partners can review and confirm the activity durations can be met and the necessary manpower to support the schedule logic and multiple areas for each prime's work. PJ Dick provides no explanation as to how they intend to address current work or confirmed the necessary manpower availability with its subcontractors and trade partners.

Activities associated with time impacts (TIAs) remain despite the TIAs still have not been submitted in accordance with section 013200 of the contract documents with no documentation to support these TIAs have been provided. The TIAs are inserted into the schedule with existing activity and base contract scope making it extremely difficult to differentiate between alleged delays from contract work progress. The TIAs do not reflect accurate dates, nor do they identify specific critical path work that was impacted yet indicates the delays were not the fault of PJ Dick. PJ Dick has had ample opportunity to coordinate with other trade partners and plan with provided direction prior to moving forward without impact to the schedule.

The executive summary points out that the substantial completion date for the July 2025 update was the same as that of the June update. This by no means reflects that the project schedule is on target.

Items identified to have impacted progress references future critical path activities (B wing steel, core fireproofing and B wing fireproofing) all which is future work stating the dates held since the last submission. The erection of the Area A structural steel slipped 3 weeks because of incorrect installation which was the sole responsibility of PJ Dick.

Weather Impacts: No identified weather impacts to the July 20225 submission. As stated in previous responses, any weather claim must be identified per Article 15 of the contract and documented as described.

PJ Dick must adjust future activities and notify other primes when these activities may impact the opportunity of installation by other primes. All primes are due the opportunity to coordinate the installation and must be provided with the opportunity to confirm the completion of the required activities. If PJ Dick does not receive confirmation from the other primes that their required work is complete, then PJD will be held accountable for the rework, lost time and other associated costs.

There was improvement this update with the timing of the schedule workshop to align with the schedule process identified in n the contract documents. Providing accurate updated information, preparation and participation at the workshops will result in more productive meetings. This is a coordinated effort for which PJ Dick is responsible to ensure an accurate and up to date schedule.

The absence of a realistic schedule directly impacts the other trade partners' ability to plan work. Continued concerns exist related to the inability of other primes to complete portions of their work that are shown in this update of the project schedule as well as the 3-week look-ahead schedule. Consistent, honest coordination between primes will go a long way in avoiding future conflicts as well as contractor mobilizing and demobilizing equipment if the availability to perform work is not present. Coordination of work in line with the schedules is the responsibility of the primes to resolve. Lack of coordination and planning is a major concern

for the projected completion of the above-mentioned activities. Impacted durations will require justifiable explanation and will continue to be tracked.

Summary:

The schedule update received August 8,2025, was the July 2025 update for the project with a data date of July 26, 2025. The explanation within the narrative should coincide with the information provided as per the data date and accurately reflect the status of the project for each deliverable.

The schedule shows very little productivity and efficiency with very few activities actually completed. This is an indication of P.J. Dick not meeting its plan schedule dates during the update period, slow progress and slippage on available work as well as failure to meet its planned progress. PJ Dick is not utilizing the CPM schedule as a management tool as they are intended but rather using it as a documentation tool.

The schedule updates continue to be an area of great concern including but not limited to the following:

- Continuous struggle to provide accurate and timely schedule updates.
- Address previously provided comments.
- Consistent inconsistencies with each update.
- Phasing changes without consideration for downstream activities.
- Realistic approach to projected activity including manpower commitments.
- Lack of consistent coordination and engagement between primes to accurately identify activity impacts.
- Identifying impacts with no supporting reasoning or documentation
- Unproductive schedule workshops

Comments are regularly returned providing observations made with each schedule submission. However, it is the trade partner's responsibility to dictate the sequencing of the work.

The County previously provided responses to project delays, and their position remains unchanged, all current and memorialized delays are the responsibility of the GC Prime. It is the responsibility of PJ Dick to address and provide a recovery schedule to help mitigate additional delays. A recovery schedule indicating how the contractor intends to mitigate additional delays and regain compliance with the contractual milestones has been requested multiple times, yet nothing has been provided. To date there have been no recovery efforts implemented to address project delays. The County is not responsible for additional cost and/or delays and reserves its rights in full under the contract.

All primes are reminded of their schedule obligations each month. All primes are required to review logic and schedule changes and the impact on each primes work. Each prime shall review current schedule logic and proposed revisions and provide comments timely for incorporation into the schedule update. Coordination amongst the primes is critical for each deliverable and should include real-time forecasting as well as full participation in the scheduled workshops.

The County is pleased to see continued work onsite yet continues to be disappointed by the lack of coordination and planning, adding to an already extensive project delay. The project schedule remains off target despite the July 2025 schedule update showing the same substantial completion date as the previous June submission. The County will hold the party responsible for all damages, losses and expenses

associated with these claims. The County looks for continued progress and the formal implementation of a recovery plan during the next update.

If you have any questions relating to this matter, please call me directly at (347) 213-8925.

Sincerely,

Katie McCoy

Katie McCoy
Cedarbrook Skilled Nursing Addition
Skanska USA Building
Construction Manager as Owner's Agent

cc:

Rick Molchany, Lehigh County
Stanley Rugis, Lehigh County
Gary Warren, Skanska
Chris Anderson, Skanska
Steve Ciufo, Skanska
Jason Plank, Noelker and Hull

Attachment(s): Critical Path with Comparison to 4-26-2025 Update

EHXIBIT 20

TOLLING AGREEMENT AND RESERVATION OF RIGHTS

THIS TOLLING AGREEMENT AND RESERVATION OF RIGHTS (the "Agreement") is dated this 24th day of July 2024, between the County of Lehigh, a Home Rule County of the Third Class, with offices at 17 South 7th Street, Allentown, Pennsylvania 18101 (the "County"), and PJ Dick, Inc., with offices at 225 North Shore Drive, Pittsburgh, Pennsylvania 15212 ("General Contractor") (collectively, "the Parties").

WITNESSETH:

WHEREAS, following a request for proposal of bids, the County awarded General Contractor the contract for the project, which entails construction of multi-million-dollar improvements to Cedarbrook Senior Care and Rehabilitation Center (the "Project").

WHEREAS, the County entered into a contract for the Project with the General Contractor on September 16, 2021, (the "Contract") which Contract included the construction of the Project; and

WHEREAS, construction on the Project has stalled due to the presence of subsurface conditions which General Contractor contends were different than those represented and/or or otherwise unanticipated and are inappropriate for installation of the intended foundation design and the Parties wish to advance the Project while maintaining their future rights regarding responsibility for the resultant delay to and additional costs of construction;

WHEREAS, the County contends that construction on the Project stalled because, among other issues, the General Contractor had an obligation under the Contract to perform its independent due diligence regarding any and all subsurface and/or pre-existing conditions on the Project site as they relate to construction of the Project, and General Contractor did not properly perform said due diligence; and

WHEREAS, it is the mutual intent of the Parties to defer any litigation or claims involving the Parties related to the above, without altering the claims or defenses available to the Parties, without prejudice to the rights of the Parties, and subject to the provisions below.

NOW THEREFORE, intending to be legally bound hereby and for the purpose of avoiding potentially unnecessary litigation, and in consideration of the covenants made herein, and for good and sufficient consideration, stipulate and agree as follows:

1. **Recitals.** All the foregoing Recitals are true and correct and are incorporated herein as part of the Agreement for all purposes.

2. **Tolling Period.** Any statutes of limitation, statutes of repose, or other defenses the Parties may have against each other, that are not otherwise barred as of the Effective Date, shall be tolled until one year after completion of the Project (the "Tolling Date").

3. **No Litigation.** Between the Effective Date and the Tolling Date, the Parties agree

not to initiate any litigation or other legal proceeding against the other party regarding the claims described herein.

4. **No Admission of Liability.** Nothing in this Agreement shall constitute an admission by either party of any claim or cause of action, any fact, conclusion or liability, or the applicability or running of any statute of limitations, statute of repose, or any other time-based defense.

5. **Reservation of Rights.** Except as otherwise expressly provided herein, each party reserves all rights, defenses, and claims it may have against the other party, as set forth in the Contract, except for General Contractor's two alleged claims relating to: (1) the time impact and additional costs claims referenced in the Contractor submission dated December 27, 2023 and arising from the events and circumstances described therein; and (2) any subcontractor claims arising from those same events and circumstances, including, but not limited to the Bean, Inc. loss claim dated December 1, 2023, which the Parties will move forward to address in accordance with the dispute resolution procedures in the Contract.

6. **Termination.** This Agreement will terminate on the Tolling Date. Either party may terminate this Agreement at an earlier date by delivering written notice to the other party ninety (90) days prior to the requested termination.

7. **Notices.** All notices, requests, demands or other communications required or permitted by the terms of this Agreement will be given in writing and delivered to the Parties at the following addresses:

a. Lehigh County, Attn: Richard D. Molchany, 17 S. 7th St., Allentown, PA 18101

b. PJ Dick, Inc., 225 North Shore Drive, Pittsburgh, Pennsylvania 15212

or to such other address as either Party may from time to time notify the other and will be deemed to be properly delivered (a) immediately upon being served personally, (b) three days after being deposited with the postal service if served by U.S. First Class Mail, or (c) the following day after being deposited with an overnight courier.

8. **Governing Law.** The terms of this Agreement shall be governed exclusively by the laws of the Commonwealth of Pennsylvania, without regard to its conflicts of law provisions.

9. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the matters addressed herein and supersedes all prior understandings of the Parties related thereto.

10. **Amendments.** Any amendment or modification of this Agreement or additional obligation assumed by either Party in connection with this Agreement will only be binding if evidenced in writing signed by each Party or an authorized representative of each Party.

11. **Severability.** In the event any of the provisions of this Agreement are held to be invalid or unenforceable in whole or in part, all other provisions will nevertheless continue to be

valid and enforceable with the invalid or unenforceable parts severed from the remainder of this Agreement.

12. **Waiver.** The waiver by either Party of a breach, default, delay, or omission of any of the provisions of this Agreement by the other Party will not be construed as a waiver of any subsequent breach of the same or other provisions.

IN WITNESS WHEREOF, the Parties have duly affixed their signatures under hand and seal on this 24th day of July, 2024.

ATTEST:

COUNTY OF LEHIGH

BY: _____
Richard D. Molchany,
Director of General Services

ATTEST:

PJ DICK, INC.

BY: _____
Authorized Representative

ATTEST:

COUNTY OF LEHIGH

BY: _____
Phillips M. Armstrong,
County Executive

EHXIBIT 21

Contract Number:

Copy ID#: _____

Completed: _____

COUNTY OF LEHIGH

CONTRACT FOR PROFESSIONAL SERVICES

PURPOSE OF CONTRACT: To provide all-inclusive architectural and engineering services for the design and construction of a New Wing and Renovations to Existing Facilities at Cedarbrook Senior Care and Rehabilitation – Allentown Facility.

AWARDED TO: Noelker and Hull Associates, Inc.

Federal ID: 25-1223851
Telephone: (717) 263-8464
Fax: (717) 263-6031

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PROFESSIONAL SERVICE CONTRACT

This is a contract between the **COUNTY OF LEHIGH**, a Home Rule County of the third class, with offices at 17 South Seventh Street, Allentown, PA 18101-2401 hereinafter referred to as the COUNTY, and **NOELKER AND HULL ASSOCIATES, INC.** of 30 West King Street, Chambersburg, PA 17201-1540 (Federal Identification Number: 25-1223851), hereinafter referred to as the PROVIDER.

WITNESSETH,

WHEREAS, the COUNTY wishes to purchase, and the PROVIDER wishes to furnish the services cited below according to all applicable Federal, State, and Local Laws; and,

WHEREAS, the services referred to are professional in nature;

NOW THEREFORE, the COUNTY and the PROVIDER, in consideration of the obligations herein undertaken and intending to be legally bound, hereby agree as follows:

I. SCOPE OF SERVICES

A. The PROVIDER shall provide the following services: all-inclusive architectural and engineering services for the design and construction of a New Wing and Renovations to Existing Facilities at Cedarbrook Senior Care and Rehabilitation – Allentown Facility.

B. These services and the requirements for their provision are set forth more fully in Appendix 'A' attached hereto and incorporated as if set forth in full.

II. TERM OF CONTRACT

A. The contract shall become effective when executed by the Lehigh County Executive according to the date parameters as stated below:

Beginning Date: Upon execution by the County Executive
Termination Date: May 1, 2023 or until completion of the project as approved by the COUNTY, whichever occurs first

B. The contract may be terminated by either party upon default of agreed terms as herein stated, in writing and providing thirty (30) days notification. Should the PROVIDER lose its license or certification the contract may be terminated immediately by the COUNTY. COUNTY may terminate this contract with or without cause, by providing thirty (30) days

written notice to the PROVIDER. The County Executive is authorized to terminate any contract with the PROVIDER pursuant to the provisions of this sub-paragraph.

C. COUNTY shall be liable only for payments due the PROVIDER as set forth in this Contract up to and including the date of termination.

D. This contract may be extended for **NO** additional terms.

E. The PROVIDER and the COUNTY hereby agree the COUNTY may assign any or all of its rights and delegate any or all of its obligations or responsibilities under this Contract upon twenty (20) days written notice to PROVIDER in the manner set forth in Article XVII of this Contract.

F. The PROVIDER and the COUNTY hereby agree that PROVIDER cannot assign any or all of its rights or delegate any or all of its obligations or responsibilities under this Contract without the COUNTY's prior written authorization.

III. COMPENSATION

A. The COUNTY shall pay for the services rendered by the PROVIDER, according to the provisions which are identified in Appendix 'B' attached hereto and incorporated by this reference as if set forth in full.

B. The PROVIDER hereto agrees that any and all payments due from the COUNTY as required under the terms of this contract, are contingent upon the availability of the appropriated funds. If any or all of the funds which are due to the PROVIDER emanate from State or Federal sources, payment is also contingent upon the COUNTY receiving such moneys from the State or Federal Government.

C. PROVIDER explicitly agrees that it will not submit to COUNTY any false claim, as defined in the False Claims Act, 31 U.S.C. § 3729 et seq.

D. With respect to any billing, COUNTY reserves the right to withhold payment for any portion of any statement in which it asserts that a discrepancy exists, which discrepancy should be corrected by a new statement. In such instances, COUNTY may withhold payment only for that portion of the statement with which it disagrees. Further, it shall be the duty of COUNTY to notify PROVIDER of any such disagreement or discrepancy as soon as possible.

IV. SCHEDULE OF ATTACHMENTS

The PROVIDER shall be bound by the following appendices attached hereto,

incorporated herein as if set forth in full:

Appendix A - Scope of Services
Appendix B - Compensation
Appendix C - Amendments and Special Provisions

V. COVENANTS, REPRESENTATIONS AND WARRANTIES

A. The COUNTY covenants, represents, and warrants:

1. The person or persons signing on behalf of the COUNTY are duly authorized to do so.

2. That this contract is entered into by the Lehigh County Executive pursuant to his authority under section 402(j) of the Lehigh County Home Rule Charter.

3. That the COUNTY is in compliance with all applicable federal, state and local laws especially, but without limitation to all statutes, ordinances, rules, and regulations governing any and all federal and state funding of the contract.

4. That if the representations in subparagraphs 2 or 3 above should at any time hereafter become incorrect, the COUNTY will promptly take all steps to correct the noncompliance.

B. The PROVIDER covenants, represents and warrants:

1. The person or persons signing on behalf of the PROVIDER are duly authorized to do so.

2. That the PROVIDER is entering into this contract either in the ordinary course of its business activities or pursuant to a resolution of its Board of Directors (or other governing body) validly called and held. If requested, the resolution, including in it the names and positions of the persons authorized to sign this contract, shall be forwarded to the County upon the signing of this contract.

3. That the PROVIDER now complies with and will continue to comply with for the duration of this contract, all applicable law in its business and activities which pertain to the performance or funding of this contract, including, without limitation, the following:

a. The Fair Labor Standards Act, the Labor Management Relations Act (Taft-Hartley); and the Labor Management and Reporting and Disclosure Act (Landrum-Griffin).

b. Occupational Safety and Health Act, and OSHA regulations thereunder.

c. Worker's Compensation Laws.

d. The Environmental Protection Act, EPA regulation and the laws and regulations administered by the Pennsylvania Department of Environmental Resources.

e. Title VII of the Civil Rights Act of 1964, all EEOC regulations and all laws relating to equal employment opportunity.

f. The Equal Pay for Equal Work Law and all other laws relating to sex discrimination.

g. The Federal Age Discrimination in Employment Act and any amendments thereto, 29 Section 620 et seq., especially the 1978 amendments thereto, Public 95-256, Section 1 et seq., Act of April 6, 1978, 92 Statute 189 and hereby states that it will not mandate the retirement of any employee on the basis of age, or for any other reason prohibited by the aforesaid act.

h. The Older Americans Act of 1965 as amended (P.L. 89-73, Section 1, Stat. 219) and the Administrative Code of 1929 as amended by Act 1978-7 (P.L. 177, No. 175) and all regulations promulgated thereunder.

i. Those laws relating to the fiscal management and accounting of public funds. The COUNTY, in its sole discretion, shall have the privilege of examining and or auditing the records of the PROVIDER which pertain to this contract to ascertain or verify compliance with this subparagraph.

j. The Americans with Disabilities Act.

k. The Immigration, Reform, and Control Act of 1986.

l. The Pro-Children Act of 1994.

m. The False Claims Act, 31 U.S.C. § 3729 et seq.

n. Reports by business entities as required by 25 P.S. §3260a, P.L. 893, Act No. 171 of 1978, as amended July 11, 1980, P.L. 649, No. 134, §6. PROVIDER shall submit to COUNTY a copy of the list filed with the Secretary of the Commonwealth on an annual basis, within thirty (30) days of the filing or March 1st, whichever date is first.

o. Disclosures required by Section 801.5 (Open and Public Process) of the Lehigh County Administrative Code, a copy of which PROVIDER acknowledges has been provided to it. The PROVIDER shall agree that Contributions will not be made which would render the PROVIDER ineligible to be considered for the contract. The contract shall require that the PROVIDER disclose any Contribution made by the PROVIDER, sub-contractor or Consultant to any Candidate for Elective County Office or to an Incumbent during the term of the contract and for one (1) year thereafter. Such disclosures shall be made in writing on a form provided by the COUNTY, and shall be delivered to the COUNTY, within (5) business days of the Contribution. This COUNTY disclosure form shall be delivered by the PROVIDER to the COUNTY contact person identified in the contract, who shall forward copies to the Clerk to the Board of Commissioners, the Controller and the County Fiscal Officer.

4. The PROVIDER acknowledges that in the event there is any violation of applicable laws or regulations by the PROVIDER, the COUNTY may deem the violation to be a breach of this contract by the PROVIDER.

5. The PROVIDER agrees that no employee, board member, or representative of the PROVIDER, either personally, or through an agent, shall solicit the referral of clients to any facility in a manner, which offers or implies an offer of rebate to persons referring clients or other fee-splitting inducements. This applies to consents of fee schedules, billing methods, or personal solicitation. No person or entity involved in the referral of clients may receive payment or other inducement by a facility or its representatives. The PROVIDER shall substantially include the language of this Paragraph in each subcontract under this Contract.

6. The PROVIDER agrees that all experimentation with human subjects involving physical or mental risk to those subjects shall be prohibited without the prior written approval of the Secretary of the Department of Health, subject to all applicable laws, statutes and regulations, and voluntary, informed consent of the

subject in writing. If the subject is a minor, or incompetent, a voluntary, informed consent of his/her parents or legal guardian shall be required.

7. The PROVIDER is duly organized, validly existing, and in good standing under the laws of Pennsylvania and the state in which the PROVIDER is organized as previously noted in the Opening Paragraphs of this Contract.

8. That PROVIDER, as a condition precedent to payment, shall upon request of COUNTY promptly furnish evidence of compliance of any sub-paragraph herein.

VI. TAXES

A. The PROVIDER hereby certifies, as a condition precedent to the execution of this contract and as an inducement for the COUNTY to execute same, that it is not "delinquent" on any taxes owed to the COUNTY. "Delinquent" is hereby defined as the point in time at which the collection of the tax becomes the responsibility of the Lehigh County Tax Claim Bureau.

B. The PROVIDER further agrees, as a specific condition of this contract, that it shall remain current on all of the taxes it owes to the COUNTY. Should the PROVIDER become delinquent on any taxes it owes to the COUNTY during the term of this contract, the PROVIDER may be deemed to be in breach of this contract by the COUNTY and, in addition to any other remedies at law for such breach, the PROVIDER hereby specifically agrees and authorizes the COUNTY to apply all funds when due to the PROVIDER directly to the taxes owed to the COUNTY until said taxes are paid in full.

C. In the event the PROVIDER becomes delinquent, it hereby authorizes the COUNTY to make payments to the taxing authority for the COUNTY to bring the PROVIDER'S county taxes current.

VII. UNDUE INFLUENCE

The PROVIDER agrees not to hire any COUNTY Personnel who may exercise or has exercised discretion in the awarding, administration, or continuance of this contract for up to and including one year following the termination of the employee from COUNTY service. Failure to abide by this provision shall constitute a breach of this contract.

VIII. CONFLICT OF INTEREST

The PROVIDER agrees to notify in writing the COUNTY as soon as the PROVIDER learns that:

A. A current employee of the COUNTY has commenced, or is intending to commence, employment with PROVIDER while continuing to maintain COUNTY employment, or

B. A current employee of the COUNTY has performed, or is intending to perform, services to the PROVIDER as an independent contractor while continuing to maintain COUNTY employment. Any written notice required to be given under this section shall specify the COUNTY employee's name, the nature of the COUNTY employee's employment, or the subject of the COUNTY employee's contract with the PROVIDER and the date on which the COUNTY employee's employment or contract with PROVIDER commenced.

IX. BREACH OF CONTRACT

A. The PROVIDER agrees that any breach of performance, of any covenant, representation, or warranty, indemnity, or condition, or attached appendices, shall constitute default of this contract.

B. When a breach of this contract has occurred, the COUNTY, in the exercise of its discretion, may allow PROVIDER a specified period of time to correct its breach of the contract.

C. If PROVIDER does not correct its violations of the contract as specified, COUNTY may terminate the contract in whole or in part if such partial termination is in the best interest of the COUNTY.

X. CONFIDENTIALITY

A. The PROVIDER and the COUNTY, their agents and employees shall perform their respective obligations under this contract in such manner as to insure that records, names, and identities of persons to whom services are or have been provided, shall remain confidential except as disclosure is permitted or required by law. Photographs, videos, and/or recordings, which in any way identify clients, shall not be released without the written consent of the legally responsible party, and the COUNTY representative.

B. Termination of this Contract for any reason shall not relieve the PROVIDER of any of PROVIDER'S obligations as stated in this paragraph.

XI. NON-DISCRIMINATION CLAUSE

In carrying out the terms of this contract, both parties agree not to discriminate against any employee or client or other person on account of race, color, religion, gender, national origin, age, marital status, political affiliation, sexual orientation, gender identity or expression,

or physical or mental disabilities as set forth in the Americans With Disabilities Act of 1990. PROVIDER and COUNTY shall comply with the Contract Compliance Regulations of the Pennsylvania Human Relations Commission, 16 Pa. Code Chapter 49, with any pertinent Executive Order of the Governor and with all laws prohibiting discrimination in hiring or employment opportunities.

The provisions of this section must also be included in any sub-contract PROVIDER enters into to perform the scope of this contract.

XII. INDEMNIFICATION AND HOLD HARMLESS

A. The PROVIDER shall indemnify and hold harmless the COUNTY and each of its officials, employees, and agents from any and all suits, actions, legal or administrative proceedings, claims, demands, damages, liabilities, interest, attorney's fees, costs and expenses for whatsoever kind or nature, resulting from:

1. Breach of the contract by PROVIDER;

2. Professional error or omission, fault, or negligence by PROVIDER or any one acting under its direction, control of or on its behalf in connection with or incident to its performance of this contract; and

3. General public liability claim arising in connection with the business or activities of PROVIDER which pertains to this contract.

B. If any claim is made against COUNTY which would give rise to a right of indemnification by COUNTY from PROVIDER, COUNTY will give notice thereof to PROVIDER. The COUNTY may permit the PROVIDER to assume the defense of any such claim, or any litigation resulting therefrom. Counsel for PROVIDER, which will conduct the defense of such claim or litigation, must be approved by COUNTY, whose approval will not unreasonably be withheld. If COUNTY consents to permit PROVIDER to assume defense, COUNTY may participate in such defense. Neither party will consent to entry of any judgment or enter into any settlement without the written consent on the other party, which consent will not unreasonably be withheld. The parties shall cooperate fully with each other and make available to COUNTY all pertinent information under its control.

C. It is expressly understood by PROVIDER that the Pennsylvania state statute, specifically 42 Pa. C.S.A. §8549, which limits recovery against a local government unit and/or its officials and employees to a maximum of $500,000.00, is not applicable to recovery of damages in an action against PROVIDER.

XIII. INSURANCE

A. The PROVIDER shall, at its sole cost and expense, procure and maintain in full force and effect covering the performance of the services rendered under this contract, insurance in the types and limits specified below. In addition to the insurance coverage and limits specified herein, the PROVIDER shall obtain any other insurance coverage as may be required by law.

1. Professional Liability Insurance

   a. Limit of Liability: $1,000,000 by claim and $2,000,000 in the aggregate.

   b. If PROVIDER is a Medical Professional, PROVIDER shall ensure that all conditions are met for eligibility for MCARE Fund coverage.

   c. Coverage for occurrences happening during the performance of services required under this contract shall be maintained in full force and effect under the policy. The policy shall include a "tail coverage" if a one or two year period of exposure exists.

2. General Liability Insurance

   a. Limits of Liability: $1,000,000 in the aggregate and per occurrence.

   b. Coverage: Premise operations, blanket contractual liability, personal injury liability (employee exclusion deleted), products and completed operations, independent contractors, employees and volunteers as additional insureds, joint liability, and broad form property damage (including completed operations).

3. Worker's Compensation and Employer's Liability Insurance

   a. Limits of Liability: Statutory Limits.

   b. Other States' coverage and Pennsylvania endorsement.

4. Automobile Liability Insurance

   a. Limit of Liability: $1,000,000 per occurrence combined single

limit for bodily injury (including death) and property damage liability.

b. Coverage: Owner, non-owned and hired vehicles.

c. PROVIDER shall ensure that all staff operating said vehicles are licensed drivers and properly insured.

5. Umbrella Excess Liability

a. $5,000,000 in the aggregate and per occurrence.

b. Coverage provided shall be over auto liability, general liability, and professional liability.

6. Abuse/Sexual Molestation and Corporal Punishment Liability Insurance.

$1,000,000 per occurrence; $3,000,000 in the aggregate.

B. All insurance provided for in this section shall be obtained under valid and enforceable policies issued by insurers of recognized responsibility, which are licensed to do business in the Commonwealth of Pennsylvania. Certificates of Insurance evidencing the existence of such insurance shall be submitted to the COUNTY upon execution of the contract by PROVIDER, and provided to COUNTY thirty (30) days prior to expiration. If the term of this contract coincides with the term of the PROVIDER'S insurance coverage, a Certificate from the expiring policy will be accepted, but a Certificate evidencing renewed coverage of a new policy must be presented to the COUNTY no later than thirty (30) days after the effective date of the policy.

C. Each policy and Certificate of Insurance shall contain: an endorsement naming the COUNTY as Additional Insured party thereunder; and a provision that at least thirty (30) calendar days prior written notice be given to the COUNTY in the event coverage is canceled or non-renewed or coverage reduced.

D. If the PROVIDER desires to self-insure any or all of the coverages listed in this section, it shall provide to the COUNTY documentation that such self-insurance has received all the approvals required by law or regulations, as well as the most recent audited financial statement of the PROVIDER'S insurance. Any coverage which is self-insured shall provide the same coverage, limits and benefits as the coverages listed in this section.

E. If the PROVIDER fails to obtain or maintain the required insurance, the COUNTY shall have the right to treat such failure as a material breach of the contract and to

exercise all appropriate rights and remedies.

F. PROVIDER shall include all subcontractors as insurers under its policies or shall furnish separate Certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated in this contract.

G. Any modification or waiver of the insurance requirements contained in this section shall be set forth in Appendix 'C'.

XIV. INDEPENDENT CONTRACTOR

A. The PROVIDER is deemed an Independent Contractor and shall not during the term of this contract assign, subcontract, transfer, or otherwise delegate all or part of its obligations or responsibilities without prior written approval of the COUNTY. No relationship of employer-employee is intended nor created by this contract, it being understood that PROVIDER shall render services to the COUNTY on an independent contractor basis. PROVIDER is not entitled to any benefits from the COUNTY including but not limited to compensation other than that set forth in the 'Compensation' section, Worker's Compensation, unemployment insurance or benefits, retirement benefits, pension benefits, Social Security or disability benefits, and professional liability insurance and/or deductibles. PROVIDER expressly agrees and acknowledges that the COUNTY will deduct no employment taxes from any compensation paid to PROVIDER and that PROVIDER will be responsible for the payment of all taxes whatsoever in connection with any compensation received from the COUNTY.

B. The PROVIDER further agrees and acknowledges that PROVIDER is not authorized under the terms of this contract to bind the COUNTY in any contractual undertakings with any third parties as a result of the within contract and PROVIDER will not make any representation that it is capable of binding the COUNTY.

XV. MODIFICATION

This document and all attachments which have been incorporated by reference contain all the terms, provisions, and conditions of this contract. No term or provision may be unilaterally modified or amended. Any alteration, variation, modification, or waiver of a provision of this contract shall be valid only when reduced to writing, duly signed by the parties of this contract, and attached to the original of the contract.

XVI. REPORT

A. COUNTY may require PROVIDER to supply to COUNTY reports in the manner, at the times and in the form as prescribed by COUNTY.

B. If a final report or study is delivered to COUNTY pursuant to this contract, a copy of the final report or study shall be provided directly by the PROVIDER to the Board of Commissioners. PROVIDER agrees to present publicly the final report or study should a committee of the Board of Commissioners so desire.

XVII. NOTICES

A. Any notices required to be given pursuant to the terms and provisions hereof shall either be served in person, evidenced by a signed and dated receipt, by facsimile transmission, or by depositing such notice in the United States mail, certified, with certification and postage charges prepaid. In the event of service of notice upon either party pursuant to the terms of this paragraph, their respective facsimile transmission numbers and addresses are as follows:

PROVIDER:
Noelker and Hull Associates, Inc.
30 West King Street
Chambersburg, PA 17201-1540
Attn: Michael L. Allen-Hall, AIA, Vice President
Phone: (717) 263-8464
Fax: (717) 263-6031

COUNTY:
County of Lehigh
Department of General Services
17 S. 7th Street
Allentown, PA 18101-2401
Attention: Richard D. Molchany, Director of General Services
Phone: (610) 782-3613
Fax: (610) 871.2755
Email: rickmolchany@lehighcounty.org

B. The PROVIDER shall notify the COUNTY in writing prior to changes in the PROVIDER'S location, mailing address, phone number, facsimile number, or name.

XVIII. PENNSYLVANIA CERTIFICATION

The PROVIDER shall provide annually, upon renewal, copies of required certifications or licenses. The PROVIDER shall notify the COUNTY in writing within five (5) working days of any loss of its Pennsylvania certification or licensure for any of the services being provided to the COUNTY. Upon notification of any loss of certification/licensor for any of the services being provided to the COUNTY, the COUNTY may terminate this contract immediately.

XIX. PROFESSIONALISM

It is contemplated, expected and understood by the parties that PROVIDER will execute and perform the services to be provided to COUNTY in a professional and ethical manner. All work performed or managed by PROVIDER must be of the highest quality and should conform to all standards, safety guidelines, and design conditions as may be imposed by legitimate regulatory organizations, including governmental agencies and municipalities. All services to be performed under this Contract shall be performed in the most cost-effective manner while still achieving the objectives of COUNTY.

XX. AUDIT

A. The PROVIDER shall maintain and retain all books, documents, papers, and records of the PROVIDER which are related to the performance of this contract or payment under this contract for a period of seven (7) years following final performance under this contract. The record shall properly reflect all net costs, direct and indirect, of labor, materials, equipment, supplies and services and other costs and expenses of whatever nature for which reimbursement is claimed under the provisions of this Contract. If PROVIDER is not a public body, PROVIDER agrees to maintain records which comply with the nationally accepted uniform Standards of Accounting and Financial reporting for Voluntary Health and Welfare Organization.

B. The Lehigh County Controller, or any of his/her duly authorized representatives shall, at reasonable times, during the term of this contract and until seven (7) years after the final performance under this contract, have access to and the right to examine any books, documents, papers, and records of the PROVIDER which are related to the performance of this contract or payment under this contract for compliance, performance or evaluation.

C. PROVIDER shall provide to the COUNTY an audit of the financial transactions and/or units of service of the PROVIDER, by an independent auditor, in accordance with the accepted and required auditing standards of COUNTY. Cost of such audit shall be borne by the PROVIDER.

XXI. PROVIDER RESPONSIBILITY PROVISIONS

A. PROVIDER certifies that it is not currently under suspension or debarment by the Commonwealth, any other state, or the federal government, and if the PROVIDER cannot so certify, then it agrees to submit along with the bid/proposal a written explanation of why such certification cannot be made.

B. If PROVIDER enters into subcontracts or employs under this contract any

subcontractors/individuals who are currently suspended or debarred by the Commonwealth or federal government or who become suspended or debarred by the Commonwealth or federal government during the term of this contract or any extension or renewals thereof, the COUNTY shall have the right to require the PROVIDER to terminate such subcontracts or employment.

C. The PROVIDER agrees to reimburse the COUNTY for the reasonable costs of investigation incurred by the Office of Inspector General for investigation of the PROVIDER'S compliance with the terms of this or any other contract between the PROVIDER and the Commonwealth which result in the suspension or debarment of the contractor. Such costs shall include, but are not limited to, salaries of investigators, including overtime, travel and lodging expenses, and expert witness and documentary fees. The PROVIDER shall not be responsible for investigative costs for investigations which do not result in the contractor's suspensions or debarment.

D. The PROVIDER may obtain the current list of suspended and debarred contractors by contacting the:

Department of General Services
Office of Chief Counsel
603 North Office Building
Harrisburg, PA 17125
Phone: (717) 783-6472
Fax: (717) 787-9138

XXII. CONFIDENTIAL INFORMATION

The PROVIDER has not included confidential or proprietary information or trade secrets as part of any submission to COUNTY. If the PROVIDER has determined that it must divulge such information as part of any submission to COUNTY, the PROVIDER submitted to COUNTY a signed written statement to that effect in accordance with 65 P.S. §67.707(b) and additionally provided a redacted version of its submission, which removed only the confidential or proprietary information and trade secrets for public disclosure purposes.

XXIII. RIGHT-TO-KNOW

A. PROVIDER understands that this Agreement and records related to or arising out of this Agreement are subject to requests made pursuant to the Pennsylvania Right-to-Know Law, 65 P.S. Sections 67.101-3104, ("RTKL").

B. If the COUNTY needs PROVIDER's assistance in any matter arising out of the RTKL related to this Agreement, COUNTY shall notify PROVIDER using the legal contact

information provided in this Agreement. PROVIDER, at any time, may designate a different contact for such purpose upon reasonable prior written notice to COUNTY.

C. Upon written notification from the COUNTY that it requires PROVIDER's assistance in responding to a request under the RTKL for information related to this Agreement that may be in PROVIDER's possession, constituting, or alleged to constitute, a public record in accordance with the RTKL ("Requested Information"), PROVIDER shall:

1. Provide the COUNTY, within ten (10) calendar days after receipt of written notification, access to, and copies of, any document or information in PROVIDER's possession arising out of this Agreement that the COUNTY reasonably believes is Requested Information and may be a public record under the RTKL; and
2. Provide such other assistance as the COUNTY may reasonably request, in order to comply with the RTKL with respect to this Agreement.

D. If PROVIDER considers the Requested Information to include a request for a Trade Secret or Confidential Proprietary Information, as those terms are defined by the RTKL, or other information that PROVIDER considers exempt from production under the RTKL, PROVIDER must notify the COUNTY and provide, within seven (7) calendar days of receiving the written notification, a written statement signed by a representative of PROVIDER explaining why the requested material is exempt from public disclosure under the RTKL.

E. The COUNTY will rely upon the written statement from PROVIDER in denying a RTKL request for the Requested Information unless the COUNTY determines that the Requested Information is clearly not protected from disclosure under the RTKL. Should the COUNTY determine that the Requested Information is clearly not exempt from disclosure, PROVIDER shall provide the Requested Information within five (5) business days of receipt of written notification of the COUNTY's determination.

F. If PROVIDER fails to provide the Requested Information within the time period required by these provisions, PROVIDER shall indemnify and hold the COUNTY harmless for any damages, penalties, costs, detriment or harm, including attorney's fees, that the COUNTY may incur as a result of PROVIDER's failure, including any statutory damages assessed against the COUNTY.

G. The COUNTY will reimburse PROVIDER for costs associated with complying with these provisions only to the extent allowed under the fee schedule established by the Office of Open Records.

H. PROVIDER may file a legal challenge to any COUNTY decision to release a

record to the public with the Office of Open Records, or in the Pennsylvania Courts, however, PROVIDER shall indemnify the COUNTY for any attorney's fees and costs incurred by the COUNTY as a result of such a challenge and shall hold the COUNTY harmless for any damages, penalties, costs, detriment or harm that the COUNTY may incur as a result of PROVIDER's actions, including any statutory damages assessed against the COUNTY, regardless of the outcome of such legal challenge. As between the parties, PROVIDER agrees to waive all rights or remedies that may be available to it as a result of the COUNTY's disclosure of Requested Information pursuant to the RTKL.

I. PROVIDER agrees to comply with any final decision of either the Office of Open Records or the Pennsylvania Unified Judicial System concerning RTKL related matters.

J. PROVIDER's duties relating to the RTKL are continuing duties that survive the expiration of this Agreement and shall continue as long as PROVIDER has Requested Information in its possession.

XXIV. INTERPRETATION

The PROVIDER agrees to waive the general rule of interpretation that "in the event of any ambiguity or issue of construction, the same will be resolved against the drafter of the document." It is declared to be the intention of the PROVIDER and the COUNTY that the public health, safety and welfare be protected and furthered by the contract. Therefore, this contract is to be interpreted in such manner as to favor such public interest as opposed to any private interest.

XXV. GOVERNING LAW

The contract shall be governed by the laws of the Commonwealth of Pennsylvania including matters of construction, validity, and performance and any action filed in connection with this contract shall be filed in the Court of Common Pleas of Lehigh County.

XXVI. SEVERABILITY

In the event any provision hereof is declared null and void by a court of law, the remaining provisions of this Contract shall remain in full force and effect.

XXVII. ENTIRE CONTRACT

This contract constitutes the entire understanding of the parties hereto. It supersedes any and all prior written or oral understanding between the parties, and no changes, amendments, or alterations shall be effective unless in writing and signed by both parties and only to the extent

therein set forth. No waiver of the breach of any term or condition of the contract shall be deemed to constitute the waiver of any breach of the same or any other term or condition.

IN WITNESS WHEREOF, the parties hereto have executed the within contract by their officials hereunto duly authorized;

PROVIDER
(affix seal)

Witness

NOELKER AND HULL ASSOCIATES, INC.

By: _____ 18 November 2019
Date

Print Name: Michael L. Allen-Hall

Title: Vice President

COUNTY OF LEHIGH
(affix seal)

Witness

PHILLIPS M. ARMSTRONG
COUNTY EXECUTIVE

10/16/19
Date

APPENDIX A
SCOPE OF SERVICES

PROVIDER shall perform all-inclusive architectural and engineering services for the design and construction of a New Wing and Renovations to Existing Facilities at Cedarbrook Senior Care and Rehabilitation – Allentown Facility, including but not limited to the following:

1.0 Scope of Services – General

1.1. The PROVIDER shall perform all architectural and engineering services normally and customarily furnished and necessary for the successful completion of the design and construction of a new wing and phase one renovations to an existing facilities at the Cedarbrook Senior Care and Rehabilitation – Allentown Facility, (The FACILITY) 350 S. Cedarbrook Road, Allentown, Pennsylvania (The PROJECT).

1.2. The construction of the PROJECT will include but not limited to: all mechanical systems, electrical systems and interior construction of spaces and all systems and FACILITY infrastructure associated with the operation of a Skilled Nursing Home. The design and construction will be performed to meet the rules, regulations and advice of the Federal Center Medicare and Medicaid Services (CMS) & Pennsylvania Department of Health (PADOH).

1.3. Only those services specifically assigned to others as stated in the "Scope of Services" which under normal circumstances would be the responsibility of the PROVIDER shall be excluded from the PROVIDER responsibility.

1.3.1. The COUNTY will hire under separate contract, an environmental firm to complete a hazardous materials survey in advance of Schematic Design which shall be used by the PROVIDER in planning and remediation during this PROJECT. The hazardous survey report will be included in the design specifications.

1.4. The PROVIDER shall:

1.4.1. Be familiar with all agencies, applicable codes, laws, and regulations applicable to the FACILITY and the PROJECT. Coordinate with the regulatory agencies responsible for licensing and approval shall be incorporated into the planning and phasing of all work of the PROJECT to be required to be licensed and approved.

1.4.2. Shall provide COUNTY with a complete list which agencies, applicable codes, laws, and regulations agencies apply.

1.4.3. Coordinate the design and construction of the PROJECT with COUNTY personnel.

1.4.4. Support the Construction Manager (CM) and provide preliminary and, subsequent to COUNTY comment and approval, final minutes of all project meetings within one (1) week after each meeting.

1.4.5. Provide at the start of the PROJECT, in cooperation with the CM, a design and bidding schedule, which will result in the herein stated construction start date being met.

1.4.6. Provide high level project updates to the County Executive and Board of Commissioners every two (2) months during the Pre-Design and Schematic Design phases.

1.4.7. During the PROJECT provide as requested any plans, drawings, sketches, etc. produced relating to the project in either printed and/or electronic format as the COUNTY may request.

1.4.8. Provide the COUNTY with a detailed phasing plan to be used for the coordination of work. The new wing will transfer functions from the existing wings. Connectors, bridges and reception areas will connect the existing facility to the new. This work will be done in cooperation with the CM.

1.4.9. Included in the Scope of Services is all site/civil engineering to successfully obtain the required site approvals including geotechnical report/testing to support the PROJECT.

1.4.10. Perform a complete audit of the utility locations.

1.4.11. Included in the Scope of Services is all Internal/External Wayfinding/Signage.

1.4.12. Provide the required design and documentation for the PROJECT to include the COUNTY'S IT consulting services requests for hardware installation. Actual equipment (including cabling) for these systems will be the responsibility of the COUNTY. The design and documentation shall be used by the COUNTY to bid the hardware installation and used by a third party performing the hardware installation.

1.4.13. Provide general landscape design and documentation to support the civil engineering code requirements.

1.4.14. Provide design and documentation to support the plumbing installation of Medical Gas system. The system will be designed by the COUNTY, and equipment for this system will be at the expense of the COUNTY. The design and documentation shall be used by the COUNTY to bid the Medical Gas System installation and used by a third party performing the Medical Gas system installation COUNTY may elect to remove this from the scope of work.

1.4.15. Provide design and documentation to support the electrical hardware required to install nurse call systems, security systems, and sound systems. Actual equipment

(including cabling) for these systems will be the responsibility of the COUNTY. The design and documentation shall be used by the COUNTY to bid the hardware installation and used by a third party performing the electrical hardware installation.

1.4.16. Provide preparation for and attend municipal meetings for Civil Engineering Site Planning for the Planning Commission, Zoning Hearing Board and Municipal Boards.

1.4.17. Create list of Regulatory Agencies that will be required to for the PROJECT.

1.4.18. COUNTY will provide IT consulting services for AV, Security, Wander Systems, Data Communications Additionally, COUNTY will run cabling (conduit, cable trays and boxes will be designed into the FACILITY plan by PROVIDER).

1.5. COUNTY shall be responsible for the cost of site permits (including land development), Building Permit Plan reviews, and Building Permits. This expense will be processed as a change order.

1.6. COUNTY shall be responsible for the cost of third-party inspections required by the Building Codes and Authorities having jurisdiction. This expense will be processed as a change order.

2. Site Requirements:

2.1. The PROVIDER shall, in performing the Scope of Services, take into account that the FACILITY will continue to operate as the construction of the PROJECT proceeds and the following requirements:

2.1.1. The obsolete juvenile detention building is to be razed to replace the parking areas lost to the "New Wing".

2.1.2. Create temporary entrance (during phase one construction) in A Wing and/or D Wing.

2.1.3. Develop vehicle access to the parking area.

2.1.4. Site utilities.

2.1.5. Parking with storm water management.

2.1.6. General Landscaping.

2.1.7. Sidewalks.

2.1.8. Energy Efficiency, Sustainability - The COUNTY will not pursue LEED Certification for this PROJECT. However, to the extent possible and within the constraints of the funds allocated to the project energy efficiency beyond basic code compliance, best practices and sustainability shall be incorporated into the facility. Incorporate common energy conservation, green technologies and sustainability components into the facility to the degree enabled by the budget. Certifications are not required.

2.2. The New Wing was chosen based upon preliminary studies and layouts which

will be made available to the PROVIDER.

2.3. The Cedarbrook Facilities Preliminary Study for the New Wing includes: MEP Building evaluation report, General New Site Plan Drawings and New Wing Addition Drawings were provided to ensure the COUNTY'S expectations are met.

2.4. From the Schematic Design (SD) Phase and for subsequent duration of the PROJECT consult with and otherwise include the COUNTY'S CM firm in the design of the PROJECT, with respect to value engineering, constructability cost estimating and construction scheduling.

2.5. The COUNTY intends to utilize a CM firm to provide engineering, constructability review, cost estimating, bid preparation and management, construction scheduling and administration and such other functions as the COUNTY may deem appropriate.

2.6. The CM firm will enter the PROJECT during the SD Phase.

3. Phase One

3.1. Phase One existing FACILITY renovations shall include the following items:

3.1.1. Center Building; Laundry; Boiler House facade restoration (cleaning and water repellant)

3.1.2. Repair to include brick replacement, repointing, crack repair.

3.1.3. Laundry roof replacement.

3.1.4. Mechanical, Electrical and Plumbing (MEP).

3.1.5. Replace condensation return and feed water pumps.

3.1.6. Replace steam main to B Wing.

3.1.7. Replace main Electrical Switchgear (located in the B wing).

3.2. New Entrance

3.2.1. The Scope of Services for the New Entry shall include:

3.2.2. The connection of a new entrance court and drop off/ pick up area with the New Wing and Center Building.

3.2.3. Renovation to the Center Building to accommodate a new entrance and renovation of the entry for the Employee dining area.

3.2.4. Construction of a New Lobby and walkway to the New Wing.

3.3. Bridges

3.3.1. Two (2) bridges will connect the Center Building and D Wings to the New Wing.

3.4. New Skilled Nursing Wing

3.4.1. A new Skilled Nursing Wing, referred to as "E Wing or New Wing", is to be constructed in front of C and D Wings. Facility is to include 240 beds, four (4) floors of 60 beds each, ~28,000 SF per floor, and include a Partial Basement (~14,000 SF) and Penthouse (~7,200 SF).

3.4.2. Support spaces for the New Wing shall include:

3.4.2.1. Common Space
3.4.2.2. Nursing Station
3.4.2.3. Exam Room
3.4.2.4. Med Room
3.4.2.5. Oxygen Storage
3.4.2.6. Soiled Linen
3.4.2.7. Clean Linen
3.4.2.8. Clean Utility
3.4.2.9. Janitor Closet
3.4.2.10. Staff Lounge
3.4.2.11. Day Room
3.4.2.12. Dining Room
3.4.2.13. Pantry
3.4.2.14. Public Toilets
3.4.2.15. Public and Service Elevators

4. Scope of Services - Pre-Design Phase

4.1. In performing the services set forth herein, PROVIDER shall address in all phases of the Scope of Services, the following to the satisfaction of COUNTY:

4.1.1. No work may compromise the standards of care for residents.

4.1.2. Resident comfort is to be a priority concern during the work and must be factored into planning decisions.

4.1.3. Minimize the impact to staff functionality wherever possible during the planning and execution. Staff comfort should also be considered.

4.1.4. Facility access for emergency vehicles, staff and visitors shall remain unencumbered during the work.

4.1.5. Develop a thorough understanding of present site conditions and site requirements, survey the site, approved site plans and other relevant documents.

4.2. Meet with COUNTY designated personnel to understand the proposed facility needs, operations, space requirements, compliance requirements, etc.

4.3. Cedarbrook Administration will establish departmental work groups and facilitate discussion within and between departments. These groups will identify the needs of the residents and staff to be accommodated within budget by the new facility and in renovated facilities. The PROVIDER will conduct at a minimum two (2) meetings with each department to discuss those needs and offer sketch plans for approval of preliminary design.

4.4. Based on COUNTY input and the Cedarbrook Administration recommended

space allocation and design, prepare preliminary sketch plans for review and consideration by the COUNTY. Further refine into a single basic plan from which a schematic plan can be developed.

4.5. Based on the approved schematic space planning, and in consultation with the CM, develop a phased plan for implementation of the schematic design. Include demolition, site work, renovations, relocation and additions in this plan.

5. Scope of Services - Schematic Design Phase to Approved Design Phase

5.1. Develop both building and site plans which will enable the COUNTY to approve same for further design refinement and production of bid documents. Design should be sufficiently defined with respect to construction types, systems and finishes so as to enable the CM to perform a proper construction cost estimate.

5.2. From this Schematic Design Phase and for subsequent duration of the PROJECT consult with and otherwise include the County's CM in the design of the project, especially with respect to value engineering, constructability, cost estimating and construction scheduling.

5.3. Develop building plans and elevations.

5.4. Develop site plan with typical details.

5.5. Develop elevation renderings.

5.6. Develop typical section details, including typical flashing and waterproofing details.

5.7. Summarize HVAC, electrical, plumbing, fire safety, security, phone and data. Address building code and ADA issues.

5.8. With the input of the COUNTY and the CM refine every detail of the plans.

5.9. Submit plans for all required reviews, municipal, third party and otherwise for code compliance, the cost of which shall be borne by the COUNTY. All reviews shall have been completed so that contractors will not be delayed in securing permits at the scheduled start of construction.

5.10. Develop both building and site plans to a state of completeness which will enable the COUNTY to approve same for further design refinement and production of bid documents. Design should be sufficiently defined with respect to construction types, systems and finishes so as to enable the CM to perform a proper construction cost estimate.

5.11. Prepare fully integrated construction drawings and specifications for all components of the project suitable for multi-part, multi-phased public bids, complete with approvals from state authorities, local authorities, and regulatory agencies both hard copies and in electronic form (CAD) as directed by COUNTY.

5.12. Prepare final construction documents (coordinated drawings and specifications),

complete for approvals from state authorities, local authorities, and regulatory agencies. Documents shall include, but not be limited to:

5.12.1. Plans, details, schedules, documentation, and drawings to include:

5.12.1.1. Architectural
5.12.1.2. Electrical
5.12.1.3. Interior and Exterior Finishes, including color selection
5.12.1.4. Mechanical
5.12.1.5. Site/Civil
5.12.1.6. Security and Telecommunications (by COUNTY)
5.12.1.7. Cabling for the new wing (by COUNTY)
5.12.1.8. Sprinkler Design and documentation (Construction documents to include performance-based design including mans and head layout. Final drawing will be completed by the sub-contractor and submitted to Architect)

5.13. Furniture, Fixtures & Equipment (FF&E), PROVIDER will be responsible for the location layout of COUNTY provided FF&E. Audit existing FF&E, and plan for the location layout of COUNTY furnished FF&E. Window Treatments are included in the "Interiors" scope of work.

5.13.1 Actual resident room and guest furniture coordination, specification, selection and purchasing will be handled by others.

6. Scope of Work - Bidding Phase

6.1. The biding phase is governed by applicable Commonwealth of Pennsylvania and Lehigh County competitive bidding rules and regulations in bid coordination and administration.

6.2. All portions of this phase will be coordinated with the CM and Lehigh County Chief Procurement Officer. The CM will be primarily responsible for preparation of the construction bid packets.

6.3. PROVIDER will provide complete multi-part, multi-phased public bid specification documentation from which the CM will develop contractor bid documents.

6.4. Assist the CM with preparation of complete multi-part, multi-phased public bid packets for solicitation of contractor bids. CM will be responsible to establish the number of prime contracts (approximately eight (8) are to be assumed). Complete bid packets shall include general specifications, drawings and final contract documents, suitable for public bidding.

6.5. Assisting in identifying and contacting potential bidders.

6.6. CM will reproduce and distribute electronic bid documents.

6.7. Assist the CM in organizing and conducting a pre-bid meeting for prospective bidders.

6.8. Assist the CM respond to bidders' questions and prepare and issue addenda, as

necessary.

6.9. Assist the CM accept copies of all bids from the Chief Procurement Officer, tabulate, review and verify bid validity.

6.10. Assist the CM evaluate bids and make recommendations for award of contracts to the COUNTY.

6.11. Assist the CM in preparing the contracts between the COUNTY and the successful bidders.

7. Scope of Work - Construction Administration Phase

7.1. Prior to or contemporaneously with the start of construction, prepare a conformance / construction set of plans and specifications incorporating all changes to the plans resultant of Requests for Information (RFI's) raised during the bidding phase.

7.2. Determine the aspects of the work requiring shop drawings.

7.3. Review submittals and shop drawings for compliance with the contract documents.

7.4. Process changes and/or variations during the execution of the project, as forwarded by the CM.

7.5. Provide on-site presence sufficient to verify compliance with contract documents including specifications, schedules and applicable laws, ordinances, codes and statutes.

7.6. Assist the CM to insure all legally required permits, licenses and authorizations are addressed, or obtained, by appropriate parties.

7.7. Process changes and/or variations during the execution of the project, as agreed upon with the COUNTY.

7.8. Assist the CM to conduct project closeout, including punch list inspection, training and verification of equipment operation.

7.9. Assist the CM by approving as-built drawings, then ensure they are delivered to the COUNTY, both hard copies and in electronic form.

7.10. Maintain PROJECT record - to be transmitted to COUNTY at close of PROJECT. Record to include all legally required permits, licenses and authorizations addressed, or obtained, by appropriate parties.

8. Scope of Work – Building Operations and Maintenance

8.1. Support the CM in providing accurate Operations and Maintenance (O&M) manuals for all systems installed or replaced during the work. At least two (2) copies of each manual bound in a three (3) ring binder(s) and a digital copy in PDF format to be provided on a disc.

8.2. Support the CM in providing O&M Drawings for all buildings on the campus.

Drawings to be produced in AutoCAD version 17 or higher. Provide three (3) complete bound paper copies and one digital copy in both native AutoCAD format and in PDF format on a disc. The COUNTY may opt for a Revit model if the work is produced in Revit or another BIM software. If requested, the model will be provided at no additional cost.

9. SCHEDULE OF EVENTS – PROJECT

1. Reach out to the CMS & PADOH	September 2019
2. Design and Engineering	September 2019 thru July 2020
3. Approved design plan becomes the basis for construction bids process including approval from the PADOH	June 2020
4. Construction Bidding	July / August 2020
5. Review Construction Bids	September 2020
6. Contract with the vendor of choice	September 2020
7. All Prime Contractors will need insurance, bonding and under contract secure permits	September 2020
8. Architect Issues Notice to Proceed	As determined
9. Construction Completed	January 2023
10. Certification of Occupancy	January 2023
11. Punch List and Project Closeout	Spring of 2023

APPENDIX B
COMPENSATION

PROVIDER shall be compensated for Basic Services (Architectural, Structural, Mechanical, Plumbing, Fire Protection and Electrical, Plumbing, Civil, Geotechnical, and FF&E) a Lump Sum of One Million Eight Hundred Fifty-Three Thousand and Fifty Seven dollars ($1,853,057.00).

Compensation will be based upon a percentage with the proportion of each stage as follows:

1.	Schematic Design:	Fifteen (15) %
2.	Approved Design Development:	Twenty (20) %
3.	Construction Documents:	Thirty-five (35) %
4.	Construction Phase:	Twenty-five (25) %
5.	Obtaining Certificate of Occupancy:	Five (5)%

Upon completion of the above stage(s), PROVIDER shall submit a monthly invoice within thirty (30) days after the last day of the invoiced month that shall clearly reflect the time spent and/or the services performed.

Compensation for services rendered by Basic Services Consultants shall be based on a multiple of 1.1 times the amounts billed by PROVIDER, according to the attached fee schedule marked Exhibit A to Appendix B.

Additional services outside of the scope, when requested and agreed upon in writing by COUNTY and PROVIDER, shall be invoiced at the hourly rates currently in effect at the time of the request. Additional compensation shall not exceed One Hundred Fifty Thousand Dollars ($150,000.00).

APPENDIX C
AMENDMENTS AND SPECIAL PROVISIONS

1. Section II. (Term of Contract), subparagraph D. is amended as follows:

"D. This contract may be extended upon the same terms and conditions for the purpose to complete the PROJECT only upon the written agreement of the COUNTY."

2. Section XIII. (Insurance), subparagraph A.6 (Abuse/Sexual Molestation and Corporal Punishment) is hereby amended as follows:

"$1,000,000 per occurrence; $1,000,000 in the aggregate."

3. Four new sections shall be added as follows:

"XXVIII. Instruments Of Services (Use Of Architect's Documents)

The documents prepared by PROVIDER for this PROJECT are instruments of the PROVIDER's for use solely with respect to this PROJECT and the PROVIDER shall be deemed the author of these documents and shall retain all common law, statutory and other reserved rights. The COUNTY may have full use of these documents for marketing or promotional purposes, but shall give credit to the PROVIDER for authorship. The documents may not be used by anyone other than the COUNTY. In the event that the COUNTY wishes to use these documents for further development of the PROJECT without COUNTY involvement, a full release shall be provided to the PROVIDER.

XXIX. Conforming Work

All work performed or managed must be of the highest quality and shall conform to all standards, safety guidelines and design conditions as may be imposed by legitimate regulatory organization, including governmental agencies and municipalities

XXX. Performance Standards

PROVIDER shall become familiar with the PROJECT site and warrants that all PROJECT documents are perfectly coordinated and conform to all applicable codes. PROVIDER warrants that services shall be performed in the most cost-effective manner and to be the highest standards of design and engineering, in achieving the objectives of the COUNTY.

XXXI. Miscellaneous Provisions

The PROVIDER shall not be required to execute any certification agreements or documents subsequent to the signing of this Agreement that in any way might, in the sole judgment of the PROVIDER, increase the PROVIDER's contractual or legal obligations or risks beyond those already assumed in this Agreement, or adversely affect the availability or cost of its professional or general liability insurance."

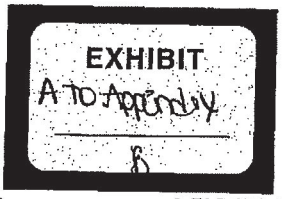
NOELKER
AND HULL
ASSOCIATES, INC.

ARCHITECTS

NOELKER AND HULL ASSOCIATES INC.
2019 Hourly Rates
Exhibit "A"

Senior Principal Architect	$190.00
Principal Architect	$165.00
Senior Project Architect	$150.00
Project Architect	$145.00
Senior Project Manager	$140.00
Project Manager	$130.00
Technical Drawing I	$110.00
Technical Drawing II	$100.00
Technical Drawing III	$ 90.00
Senior Interior Designer	$130.00
Interior Designer	$120.00
Specification Writer	$150.00
Senior Construction Administrator	$130.00
Construction Administrator	$110.00
Technical Assistant	$ 70.00

- Consultants are billed at 1.1 times the amount billed to us.
- Reimbursable expenses are billed at 1.0 times the amount billed to us.
- Rates are subject to annual adjustments in accordance with the normal salary practices of the Architect.



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EHXIBIT 22

Contract Number:

Copy ID#: _____

Completed: _____

COUNTY OF LEHIGH

CONTRACT FOR PROFESSIONAL SERVICES

PURPOSE OF CONTRACT: To provide all-inclusive Construction Management Services for the Cedarbrook-Allentown Senior Care and Rehabilitation Additions and Renovations Project.

AWARDED TO: Skanska USA Building Inc.

Federal ID: 22-3752540
Telephone: (267) 470.1000
Fax: (267) 470.1010

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PROFESSIONAL SERVICE CONTRACT

This is a contract between the **COUNTY OF LEHIGH**, a Home Rule County of the third class, with offices at 17 South Seventh Street, Allentown, PA 18101-2400 hereinafter referred to as the COUNTY, and **SKANSKA USA BUILDING INC.**, with offices at 518 East Township Line Road, Suite 200, Blue Bell, PA 19422 (Federal Identification Number: 22-3752540), hereinafter referred to as the PROVIDER.

WITNESSETH,

WHEREAS, the COUNTY wishes to purchase, and the PROVIDER wishes to furnish the services cited below according to all applicable Federal, State, and Local Laws; and

WHEREAS, the services referred to are professional in nature;

NOW THEREFORE, the COUNTY and the PROVIDER, in consideration of the obligations herein undertaken and intending to be legally bound, hereby agree as follows:

I. SCOPE OF SERVICES

A. The PROVIDER shall provide the following services: all-inclusive Construction Management Services for the Cedarbrook-Allentown Senior Care and Rehabilitation Additions and Renovations Project.

B. These services and the requirements for their provision are set forth more fully in Appendix 'A' attached hereto and incorporated as if set forth in full.

II. TERM OF CONTRACT

A. The contract shall become effective when executed by the Lehigh County Executive according to the date parameters as stated below:

Beginning Date: Upon execution by the County Executive
Termination Date: Upon completion of the project as determined by the County

B. The contract may be terminated by either party upon default of agreed terms as herein stated, in writing and providing thirty (30) days notification. Should the PROVIDER lose its license or certification the contract may be terminated immediately by the COUNTY. COUNTY may terminate this contract with or without cause, by providing thirty (30) days written notice to the PROVIDER. The County Executive is authorized to terminate any contract with the PROVIDER pursuant to the provisions of this sub-paragraph.

C. COUNTY shall be liable only for payments due the PROVIDER as set forth in this Contract up to and including the date of termination.

D. This contract may be extended for **NO** additional terms.

E. The PROVIDER and the COUNTY hereby agree the COUNTY may assign any or all of its rights and delegate any or all of its obligations or responsibilities under this Contract upon twenty (20) days written notice to PROVIDER in the manner set forth in Article XVII of this Contract.

F. The PROVIDER and the COUNTY hereby agree that PROVIDER cannot assign any or all of its rights or delegate any or all of its obligations or responsibilities under this Contract without the COUNTY's prior written authorization.

III. COMPENSATION

A. The COUNTY shall pay for the services rendered by the PROVIDER, according to the provisions which are identified in Appendix 'B' attached hereto and incorporated by this reference as if set forth in full.

B. The PROVIDER hereto agrees that any and all payments due from the COUNTY as required under the terms of this contract, are contingent upon the availability of the appropriated funds. If any or all of the funds which are due to the PROVIDER emanate from State or Federal sources, payment is also contingent upon the COUNTY receiving such moneys from the State or Federal Government.

C. PROVIDER explicitly agrees that it will not submit to COUNTY any false claim, as defined in the False Claims Act, 31 U.S.C. § 3729 et seq.

D. With respect to any billing, COUNTY reserves the right to withhold payment for any portion of any statement in which it asserts that a discrepancy exists, which discrepancy should be corrected by a new statement. In such instances, COUNTY may withhold payment only for that portion of the statement with which it disagrees. Further, it shall be the duty of COUNTY to notify PROVIDER of any such disagreement or discrepancy as soon as possible.

IV. SCHEDULE OF ATTACHMENTS

The PROVIDER shall be bound by the following appendices attached hereto, incorporated herein as if set forth in full:

Appendix A - Scope of Services
Appendix B - Compensation
Appendix C - Amendments and Special Provisions

V. COVENANTS, REPRESENTATIONS AND WARRANTIES

A. The COUNTY covenants, represents, and warrants:

1. The person or persons signing on behalf of the COUNTY are duly authorized to do so.

2. That this contract is entered into by the Lehigh County Executive pursuant to his authority under section 402(j) of the Lehigh County Home Rule Charter.

3. That the COUNTY is in compliance with all applicable federal, state and local laws especially, but without limitation to all statutes, ordinances, rules, and regulations governing any and all federal and state funding of the contract.

4. That if the representations in subparagraphs 2 or 3 above should at any time hereafter become incorrect, the COUNTY will promptly take all steps to correct the noncompliance.

B. The PROVIDER covenants, represents and warrants:

1. The person or persons signing on behalf of the PROVIDER are duly authorized to do so.

2. That the PROVIDER is entering into this contract either in the ordinary course of its business activities or pursuant to a resolution of its Board of Directors (or other governing body) validly called and held. If requested, the resolution, including in it the names and positions of the persons authorized to sign this contract, shall be forwarded to the County upon the signing of this contract.

3. That the PROVIDER now complies with and will continue to comply with for the duration of this contract, all applicable law in its business and activities which pertain to the performance or funding of this contract, including, without limitation, the following:

a. The Fair Labor Standards Act, the Labor Management Relations Act (Taft-Hartley); and the Labor Management and Reporting and Disclosure Act (Landrum-Griffin).

b. Occupational Safety and Health Act, and OSHA regulations thereunder.

c. Worker's Compensation Laws.

d. The Environmental Protection Act, EPA regulation and the laws and regulations administered by the Pennsylvania Department of Environmental Resources.

e. Title VII of the Civil Rights Act of 1964, all EEOC regulations and all laws relating to equal employment opportunity.

f. The Equal Pay for Equal Work Law and all other laws relating to sex discrimination.

g. The Federal Age Discrimination in Employment Act and any amendments thereto, 29 Section 620 et seq., especially the 1978 amendments thereto, Public 95-256, Section 1 et seq., Act of April 6, 1978, 92 Statute 189 and hereby states that it will not mandate the retirement of any employee on the basis of age, or for any other reason prohibited by the aforesaid act.

h. The Older Americans Act of 1965 as amended (P.L. 89-73, Section 1, Stat. 219) and the Administrative Code of 1929 as amended by Act 1978-7 (P.L. 177, No. 175) and all regulations promulgated thereunder.

i. Those laws relating to the fiscal management and accounting of public funds. The COUNTY, in its sole discretion, shall have the privilege of examining and or auditing the records of the PROVIDER which pertain to this contract to ascertain or verify compliance with this subparagraph.

j. The Americans with Disabilities Act.

k. The Immigration, Reform, and Control Act of 1986.

l. The Pro-Children Act of 1994.

m. The False Claims Act, 31 U.S.C. § 3729 et seq.

n. Reports by business entities as required by 25 P.S. §3260a, P.L. 893, Act No. 171 of 1978, as amended July 11, 1980, P.L. 649, No. 134, §6.PROVIDER shall submit to COUNTY a copy of the list filed with the Secretary of the Commonwealth on an annual basis, within thirty (30) days of the filing or March 1st, whichever date is first.

o. Disclosures required by Section 801.5 (Open and Public Process) of the Lehigh County Administrative Code, a copy of which PROVIDER acknowledges has been provided to it. The PROVIDER shall agree that

Contributions will not be made which would render the PROVIDER ineligible to be considered for the contract. The contract shall require that the PROVIDER disclose any Contribution made by the PROVIDER, sub-contractor or Consultant to any Candidate for Elective County Office or to an Incumbent during the term of the contract and for one (1) year thereafter. Such disclosures shall be made in writing on a form provided by the COUNTY, and shall be delivered to the COUNTY, within (5) business days of the Contribution. This COUNTY disclosure form shall be delivered by the PROVIDER to the COUNTY contact person identified in the contract, who shall forward copies to the Clerk to the Board of Commissioners, the Controller and the County Fiscal Officer.

4. The PROVIDER acknowledges that in the event there is any violation of applicable laws or regulations by the PROVIDER, the COUNTY may deem the violation to be a breach of this contract by the PROVIDER.

5. The PROVIDER agrees that no employee, board member, or representative of the PROVIDER, either personally, or through an agent, shall solicit the referral of clients to any facility in a manner, which offers or implies an offer of rebate to persons referring clients or other fee-splitting inducements. This applies to consents of fee schedules, billing methods, or personal solicitation. No person or entity involved in the referral of clients may receive payment or other inducement by a facility or its representatives. The PROVIDER shall substantially include the language of this Paragraph in each subcontract under this Contract.

6. The PROVIDER agrees that all experimentation with human subjects involving physical or mental risk to those subjects shall be prohibited without the prior written approval of the Secretary of the Department of Health, subject to all applicable laws, statutes and regulations, and voluntary, informed consent of the subject in writing. If the subject is a minor, or incompetent, a voluntary, informed consent of his/her parents or legal guardian shall be required.

7. The PROVIDER is duly organized, validly existing, and in good standing under the laws of Pennsylvania and the state in which the PROVIDER is organized as previously noted in the Opening Paragraphs of this Contract.

8. That PROVIDER, as a condition precedent to payment, shall upon request of COUNTY promptly furnish evidence of compliance of any sub-paragraph herein.

VI. TAXES

A. The PROVIDER hereby certifies, as a condition precedent to the execution of this

contract and as an inducement for the COUNTY to execute same, that it is not "delinquent" on any taxes owed to the COUNTY. "Delinquent" is hereby defined as the point in time at which the collection of the tax becomes the responsibility of the Lehigh County Tax Claim Bureau.

B. The PROVIDER further agrees, as a specific condition of this contract, that it shall remain current on all of the taxes it owes to the COUNTY. Should the PROVIDER become delinquent on any taxes it owes to the COUNTY during the term of this contract, the PROVIDER may be deemed to be in breach of this contract by the COUNTY and, in addition to any other remedies at law for such breach, the PROVIDER hereby specifically agrees and authorizes the COUNTY to apply all funds when due to the PROVIDER directly to the taxes owed to the COUNTY until said taxes are paid in full.

C. In the event the PROVIDER becomes delinquent, it hereby authorizes the COUNTY to make payments to the taxing authority for the COUNTY to bring the PROVIDER'S county taxes current.

VII. UNDUE INFLUENCE

The PROVIDER agrees not to hire any COUNTY Personnel who may exercise or has exercised discretion in the awarding, administration, or continuance of this contract for up to and including one year following the termination of the employee from COUNTY service. Failure to abide by this provision shall constitute a breach of this contract.

VIII. CONFLICT OF INTEREST

The PROVIDER agrees to notify in writing the COUNTY as soon as the PROVIDER learns that:

A. A current employee of the COUNTY has commenced, or is intending to commence, employment with PROVIDER while continuing to maintain COUNTY employment, or

B. A current employee of the COUNTY has performed, or is intending to perform, services to the PROVIDER as an independent contractor while continuing to maintain COUNTY employment. Any written notice required to be given under this section shall specify the COUNTY employee's name, the nature of the COUNTY employee's employment, or the subject of the COUNTY employee's contract with the PROVIDER and the date on which the COUNTY employee's employment or contract with PROVIDER commenced.

IX. BREACH OF CONTRACT

A. The PROVIDER agrees that any breach of performance, of any covenant, representation, or warranty, indemnity, or condition, or attached appendices, shall constitute default of this contract.

B. When a breach of this contract has occurred, the COUNTY, in the exercise of its discretion, may allow PROVIDER a specified period of time to correct its breach of the contract.

C. If PROVIDER does not correct its violations of the contract as specified, COUNTY may terminate the contract in whole or in part if such partial termination is in the best interest of the COUNTY.

X. CONFIDENTIALITY

A. The PROVIDER and the COUNTY, their agents and employees shall perform their respective obligations under this contract in such manner as to insure that records, names, and identities of persons to whom services are or have been provided, shall remain confidential except as disclosure is permitted or required by law. Photographs, videos, and/or recordings, which in any way identify clients, shall not be released without the written consent of the legally responsible party, and the COUNTY representative.

B. Termination of this Contract for any reason shall not relieve the PROVIDER of any of PROVIDER'S obligations as stated in this paragraph.

XI. NON-DISCRIMINATION CLAUSE

In carrying out the terms of this contract, both parties agree not to discriminate against any employee or client or other person on account of race, color, religion, gender, national origin, age, marital status, political affiliation, sexual orientation, gender identity or expression, or physical or mental disabilities as set forth in the Americans With Disabilities Act of 1990. PROVIDER and COUNTY shall comply with the Contract Compliance Regulations of the Pennsylvania Human Relations Commission, 16 Pa. Code Chapter 49, with any pertinent Executive Order of the Governor and with all laws prohibiting discrimination in hiring or employment opportunities.

The provisions of this section must also be included in any sub-contract PROVIDER enters into to perform the scope of this contract.

XII. INDEMNIFICATION AND HOLD HARMLESS

A. The PROVIDER shall indemnify and hold harmless the COUNTY and each of its officials, employees, and agents from any and all suits, actions, legal or administrative proceedings, claims, demands, damages, liabilities, interest, attorney's fees, costs and expenses for whatsoever kind or nature, resulting from:

1. Breach of the contract by PROVIDER;

2. Professional error or omission, fault, or negligence by PROVIDER or any one acting under its direction, control of or on its behalf in connection with or incident to its performance of this contract; and

3. General public liability claim arising in connection with the business or activities of PROVIDER which pertains to this contract.

B. If any claim is made against COUNTY which would give rise to a right of indemnification by COUNTY from PROVIDER, COUNTY will give notice thereof to PROVIDER. The COUNTY may permit the PROVIDER to assume the defense of any such claim, or any litigation resulting therefrom. Counsel for PROVIDER, which will conduct the defense of such claim or litigation, must be approved by COUNTY, whose approval will not unreasonably be withheld. If COUNTY consents to permit PROVIDER to assume defense, COUNTY may participate in such defense. Neither party will consent to entry of any judgment or enter into any settlement without the written consent on the other party, which consent will not unreasonably be withheld. The parties shall cooperate fully with each other and make available to COUNTY all pertinent information under its control.

C. It is expressly understood by PROVIDER that the Pennsylvania state statute, specifically 42 Pa. C.S.A. §8549, which limits recovery against a local government unit and/or its officials and employees to a maximum of $500,000.00, is not applicable to recovery of damages in an action against PROVIDER.

XIII. INSURANCE

A. The PROVIDER shall, at its sole cost and expense, procure and maintain in full force and effect covering the performance of the services rendered under this contract, insurance in the types and limits specified below. In addition to the insurance coverage and limits specified herein, the PROVIDER shall obtain any other insurance coverage as may be required by law.

1. Professional Liability Insurance

a. Limit of Liability: $1,000,000 by claim and $2,000,000 in the aggregate.

b. If PROVIDER is a Medical Professional, PROVIDER shall ensure that all conditions are met for eligibility for MCARE Fund coverage.

c. Coverage for occurrences happening during the performance of services required under this contract shall be maintained in full force and effect under the policy. The policy shall include a "tail coverage" if a one or two year period of exposure exists.

2. General Liability Insurance

a. Limits of Liability: $1,000,000 in the aggregate and per occurrence.

b. Coverage: Premise operations, blanket contractual liability, personal injury liability (employee exclusion deleted), products and completed operations, independent contractors, employees and volunteers as additional insureds, joint liability, and broad form property damage (including completed operations).

3. Worker's Compensation and Employer's Liability Insurance

a. Limits of Liability: Statutory Limits.

b. Other States' coverage and Pennsylvania endorsement.

4. Automobile Liability Insurance

a. Limit of Liability: $1,000,000 per occurrence combined single limit for bodily injury (including death) and property damage liability.

b. Coverage: Owner, non-owned and hired vehicles.

c. PROVIDER shall ensure that all staff operating said vehicles are licensed drivers and properly insured.

5. Umbrella Excess Liability

a. $5,000,000 in the aggregate and per occurrence.

b. Coverage provided shall be over auto liability, general liability, and professional liability.

6. Abuse/Sexual Molestation and Corporal Punishment Liability Insurance.

$1,000,000 per occurrence; $3,000,000 in the aggregate.

B. All insurance provided for in this section shall be obtained under valid and enforceable policies issued by insurers of recognized responsibility, which are licensed to do business in the Commonwealth of Pennsylvania. Certificates of Insurance evidencing the existence of such insurance shall be submitted to the COUNTY upon execution of the contract by PROVIDER, and provided to COUNTY thirty (30) days prior to expiration. If the term of this

contract coincides with the term of the PROVIDER'S insurance coverage, a Certificate from the expiring policy will be accepted, but a Certificate evidencing renewed coverage of a new policy must be presented to the COUNTY no later than thirty (30) days after the effective date of the policy.

C. Each policy and Certificate of Insurance shall contain: an endorsement naming the COUNTY as Additional Insured party thereunder; and a provision that at least thirty (30) calendar days prior written notice be given to the COUNTY in the event coverage is canceled or non-renewed or coverage reduced.

D. If the PROVIDER desires to self-insure any or all of the coverages listed in this section, it shall provide to the COUNTY documentation that such self-insurance has received all the approvals required by law or regulations, as well as the most recent audited financial statement of the PROVIDER'S insurance. Any coverage which is self-insured shall provide the same coverage, limits and benefits as the coverages listed in this section.

E. If the PROVIDER fails to obtain or maintain the required insurance, the COUNTY shall have the right to treat such failure as a material breach of the contract and to exercise all appropriate rights and remedies.

F. PROVIDER shall include all subcontractors as insurers under its policies or shall furnish separate Certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated in this contract.

G. Any modification or waiver of the insurance requirements contained in this section shall be set forth in Appendix 'C'.

XIV. INDEPENDENT CONTRACTOR

A. The PROVIDER is deemed an Independent Contractor and shall not during the term of this contract assign, subcontract, transfer, or otherwise delegate all or part of its obligations or responsibilities without prior written approval of the COUNTY. No relationship of employer-employee is intended nor created by this contract; it being understood that PROVIDER shall render services to the COUNTY on an independent contractor basis. PROVIDER is not entitled to any benefits from the COUNTY including but not limited to compensation other than that set forth in the 'Compensation' section, Worker's Compensation, unemployment insurance or benefits, retirement benefits, pension benefits, Social Security or disability benefits, and professional liability insurance and/or deductibles. PROVIDER expressly agrees and acknowledges that the COUNTY will deduct no employment taxes from any compensation paid to PROVIDER and that PROVIDER will be responsible for the payment of all taxes whatsoever in connection with any compensation received from the COUNTY.

B. The PROVIDER further agrees and acknowledges that PROVIDER is not authorized under the terms of this contract to bind the COUNTY in any contractual undertakings with any third parties as a result of the within contract and PROVIDER will not make any representation that it is capable of binding the COUNTY.

XV. MODIFICATION

This document and all attachments which have been incorporated by reference contain all the terms, provisions, and conditions of this contract. No term or provision may be unilaterally modified or amended. Any alteration, variation, modification, or waiver of a provision of this contract shall be valid only when reduced to writing, duly signed by the parties of this contract, and attached to the original of the contract.

XVI. REPORT

A. COUNTY may require PROVIDER to supply to COUNTY reports in the manner, at the times and in the form as prescribed by COUNTY.

B. If a final report or study is delivered to COUNTY pursuant to this contract, a copy of the final report or study shall be provided directly by the PROVIDER to the Board of Commissioners. PROVIDER agrees to present publicly the final report or study should a committee of the Board of Commissioners so desire.

XVII. NOTICES

A. Any notices required to be given pursuant to the terms and provisions hereof shall either be served in person, evidenced by a signed and dated receipt, by facsimile transmission, or by depositing such notice in the United States mail, certified, with certification and postage charges prepaid. In the event of service of notice upon either party pursuant to the terms of this paragraph, their respective facsimile transmission numbers and addresses are as follows:

PROVIDER:
Skanska USA Building Inc.
518 East Township Line Road, Suite 200
Blue Bell, PA 19422
Attn: Christopher Anderson, VP/Regional Director
Phone: (267) 470.1034
Fax: (267) 470.1010
Email: christopher.anderson@skanska.com

COUNTY:
County of Lehigh
Department of General Services
17 S. 7th Street
Allentown, PA 18101
Attn: Rick Molchany, Director
Phone: (610) 782-3001
Fax: (610) 871-2755
Email: rickmolchany@lehighcounty.org

B. The PROVIDER shall notify the COUNTY in writing prior to changes in the PROVIDER's location, mailing address, phone number, facsimile number, or name.

XVIII. PENNSYLVANIA CERTIFICATION

The PROVIDER shall provide annually, upon renewal, copies of required certifications or licenses. The PROVIDER shall notify the COUNTY in writing within five (5) working days of any loss of its Pennsylvania certification or licensure for any of the services being provided to the COUNTY. Upon notification of any loss of certification/licensor for any of the services being provided to the COUNTY, the COUNTY may terminate this contract immediately.

XIX. PROFESSIONALISM

It is contemplated, expected and understood by the parties that PROVIDER will execute and perform the services to be provided to COUNTY in a professional and ethical manner. All work performed or managed by PROVIDER must be of the highest quality and should conform to all standards, safety guidelines, and design conditions as may be imposed by legitimate regulatory organizations, including governmental agencies and municipalities. All services to be performed under this Contract shall be performed in the most cost-effective manner while still achieving the objectives of COUNTY.

XX. AUDIT

A. The PROVIDER shall maintain and retain all books, documents, papers, and records of the PROVIDER which are related to the performance of this contract or payment under this contract for a period of seven (7) years following final performance under this contract. The record shall properly reflect all net costs, direct and indirect, of labor, materials, equipment, supplies and services and other costs and expenses of whatever nature for which reimbursement is claimed under the provisions of this Contract. If PROVIDER is not a public body, PROVIDER agrees to maintain records which comply with the nationally accepted uniform Standards of Accounting and Financial reporting for Voluntary Health and Welfare Organization.

B. The Lehigh County Controller, or any of his/her duly authorized representatives shall, at reasonable times, during the term of this contract and until seven (7) years after the final performance under this contract, have access to and the right to examine any books, documents, papers, and records of the PROVIDER which are related to the performance of this contract or payment under this contract.

C. PROVIDER shall provide to the COUNTY an audit of the financial transactions and/or units of service of the PROVIDER, by an independent auditor, in accordance with the accepted and required auditing standards of COUNTY. Cost of such audit shall be borne by the PROVIDER.

XXI. PROVIDER RESPONSIBILITY PROVISIONS

A. PROVIDER certifies that it is not currently under suspension or debarment by the Commonwealth, any other state, or the federal government, and if the PROVIDER cannot so certify, then it agrees to submit along with the bid/proposal a written explanation of why such certification cannot be made.

B. If PROVIDER enters into subcontracts or employs under this contract any subcontractors/individuals who are currently suspended or debarred by the Commonwealth or federal government or who become suspended or debarred by the Commonwealth or federal government during the term of this contract or any extension or renewals thereof, the COUNTY shall have the right to require the PROVIDER to terminate such subcontracts or employment.

C. The PROVIDER agrees to reimburse the COUNTY for the reasonable costs of investigation incurred by the Office of Inspector General for investigation of the PROVIDER'S compliance with the terms of this or any other contract between the PROVIDER and the Commonwealth which result in the suspension or debarment of the contractor. Such costs shall include, but are not limited to, salaries of investigators, including overtime, travel and lodging expenses, and expert witness and documentary fees. The PROVIDER shall not be responsible for investigative costs for investigations which do not result in the contractor's suspensions or debarment.

D. The PROVIDER may obtain the current list of suspended and debarred contractors by contacting the:

Department of General Services
Office of Chief Counsel
603 North Office Building
Harrisburg, PA 17125
Phone: (717) 783-6472
Fax: (717) 787-9138

XXII. CONFIDENTIAL INFORMATION

The PROVIDER has not included confidential or proprietary information or trade secrets as part of any submission to COUNTY. If the PROVIDER has determined that it must divulge such information as part of any submission to COUNTY, the PROVIDER submitted to COUNTY a signed written statement to that effect in accordance with 65 P.S. §67.707(b) and additionally provided a redacted version of its submission, which removed only the confidential or proprietary information and trade secrets for public disclosure purposes.

XXIII. RIGHT-TO-KNOW

A. PROVIDER understands that this Agreement and records related to or arising out of this Agreement are subject to requests made pursuant to the Pennsylvania Right-to-Know Law, 65 P.S. Sections 67.101-3104, ("RTKL").

B. If the COUNTY needs PROVIDER's assistance in any matter arising out of the RTKL related to this Agreement, COUNTY shall notify PROVIDER using the legal contact information provided in this Agreement. PROVIDER, at any time, may designate a different contact for such purpose upon reasonable prior written notice to COUNTY.

C. Upon written notification from the COUNTY that it requires PROVIDER's assistance in responding to a request under the RTKL for information related to this Agreement that may be in PROVIDER's possession, constituting, or alleged to constitute, a public record in accordance with the RTKL ("Requested Information"), PROVIDER shall:

1. Provide the COUNTY, within ten (10) calendar days after receipt of written notification, access to, and copies of, any document or information in PROVIDER's possession arising out of this Agreement that the COUNTY reasonably believes is Requested Information and may be a public record under the RTKL; and
2. Provide such other assistance as the COUNTY may reasonably request, in order to comply with the RTKL with respect to this Agreement.

D. If PROVIDER considers the Requested Information to include a request for a Trade Secret or Confidential Proprietary Information, as those terms are defined by the RTKL, or other information that PROVIDER considers exempt from production under the RTKL, PROVIDER must notify the COUNTY and provide, within seven (7) calendar days of receiving the written notification, a written statement signed by a representative of PROVIDER explaining why the requested material is exempt from public disclosure under the RTKL.

E. The COUNTY will rely upon the written statement from PROVIDER in denying a RTKL request for the Requested Information unless the COUNTY determines that the Requested Information is clearly not protected from disclosure under the RTKL. Should the

COUNTY determine that the Requested Information is clearly not exempt from disclosure, PROVIDER shall provide the Requested Information within five (5) business days of receipt of written notification of the COUNTY's determination.

F. If PROVIDER fails to provide the Requested Information within the time period required by these provisions, PROVIDER shall indemnify and hold the COUNTY harmless for any damages, penalties, costs, detriment or harm, including attorney's fees, that the COUNTY may incur as a result of PROVIDER's failure, including any statutory damages assessed against the COUNTY.

G. The COUNTY will reimburse PROVIDER for costs associated with complying with these provisions only to the extent allowed under the fee schedule established by the Office of Open Records.

H. PROVIDER may file a legal challenge to any COUNTY decision to release a record to the public with the Office of Open Records, or in the Pennsylvania Courts, however, PROVIDER shall indemnify the COUNTY for any attorney's fees and costs incurred by the COUNTY as a result of such a challenge and shall hold the COUNTY harmless for any damages, penalties, costs, detriment or harm that the COUNTY may incur as a result of PROVIDER's actions, including any statutory damages assessed against the COUNTY, regardless of the outcome of such legal challenge. As between the parties, PROVIDER agrees to waive all rights or remedies that may be available to it as a result of the COUNTY's disclosure of Requested Information pursuant to the RTKL.

I. PROVIDER agrees to comply with any final decision of either the Office of Open Records or the Pennsylvania Unified Judicial System concerning RTKL related matters.

J. PROVIDER's duties relating to the RTKL are continuing duties that survive the expiration of this Agreement and shall continue as long as PROVIDER has Requested Information in its possession.

XXIV. INTERPRETATION

The PROVIDER agrees to waive the general rule of interpretation that "in the event of any ambiguity or issue of construction, the same will be resolved against the drafter of the document." It is declared to be the intention of the PROVIDER and the COUNTY that the public health, safety and welfare be protected and furthered by the contract. Therefore, this contract is to be interpreted in such manner as to favor such public interest as opposed to any private interest.

XXV. GOVERNING LAW

The contract shall be governed by the laws of the Commonwealth of Pennsylvania

including matters of construction, validity, and performance and any action filed in connection with this contract shall be filed in the Court of Common Pleas of Lehigh County.

XXVI. SEVERABILITY

In the event any provision hereof is declared null and void by a court of law, the remaining provisions of this Contract shall remain in full force and effect.

XXVII. ENTIRE CONTRACT

This contract constitutes the entire understanding of the parties hereto. It supersedes any and all prior written or oral understanding between the parties, and no changes, amendments, or alterations shall be effective unless in writing and signed by both parties and only to the extent therein set forth. No waiver of the breach of any term or condition of the contract shall be deemed to constitute the waiver of any breach of the same or any other term or condition.

IN WITNESS WHEREOF, the parties hereto have executed the within contract by their officials hereunto duly authorized;

PROVIDER
(affix seal)

Witness

Date: 9/29/20

LAURIE J. CLIFFORD
Notary Public
Commonwealth of Massachusetts
My Commission Expires
April 5, 2024

SKANSKA USA BUILDING INC.

By:
MICHAEL BENEDETTO, SR. VICE PRESIDENT/REGIONAL EXEC.

COUNTY OF LEHIGH
(affix seal)

Witness

Date: 9-30-20

PHILLIPS M. ARMSTRONG
COUNTY EXECUTIVE

APPENDIX A
SCOPE OF SERVICES

The PROVIDER shall provide all-inclusive Construction Management Services for the Cedarbrook-Allentown Additions and Renovations Project, as set forth in the County of Lehigh Request for Proposals #20-008, as more fully set forth in Sections 7.0, 8.0, 9.0, 10.0, 11.0, 12.0 and 13.0 (Scope of Work), addendum #1 dated March 10, 2020 and addendum #2 dated March 25, 2020, a copy of said sections attached hereto, made a part hereof and marked Exhibit "A".

Further the PROVIDER agrees to comply with and be bound by all the other requirements of the Request for Proposals #20-008, all of which is incorporated herein by reference.

APPENDIX B
COMPENSATION

The total compensation for all services performed by PROVIDER under the terms of this Agreement is an all-inclusive, not to exceed fee (including out-of-pocket expenses) total of One Million, Three-Hundred Seventy-Six Thousand, Four Hundred and NO/100 Dollars ($1,376,400.00), as set forth in PROVIDER's PROPOSAL FORM, made a part hereof and marked Exhibit "B".

This Fee shall be subject to equitable adjustment for changes which have resulted from circumstances that are outside of PROVIDER's control, including those in scope, schedule, suspensions, delays, or other causes and impacts. Adjustments upward which exceed fifteen per cent (15%) of the contracted amount, whether individually or cumulatively, must be approved by the COUNTY's Board of Commissioners by motion to be valid and enforceable.

PROVIDER may invoice the COUNTY monthly for services provided during the preconstruction/construction phases. PROVIDER shall provide the detailed invoice within thirty (30) days after the last day of the invoiced month.

Final payment will not be made until the deliverables have been deemed to meet the intent of the specifications and all work has been successfully completed in accordance with this Agreement, as determined by the County, which determination shall not be unreasonably withheld.

APPENDIX C
AMENDMENTS AND SPECIAL PROVISIONS

1. The provisions of the RFP #20-008 dated February 25, 2020, addendum #1 dated March 10, 2020 and addendum #2 dated March 25, 2020 and the response of the PROVIDER dated April 1, 2020, are incorporated herein by reference. In the event of a conflict between the terms of this agreement, the RFP and addendums #1 and #2 to the RFP, and the PROVIDER's response to the RFP, the conflict shall be resolved by the following order of preference: this agreement, addendums #1 and #2 to the RFP and the RFP, the PROVIDER's response to the RFP.

2. Section IX. (Breach of Contract), is hereby deleted and replaced with the following:

"IX. BREACH OF CONTRACT

A. The PROVIDER agrees that any material breach of performance, of any covenant, representation, warranty, indemnity, condition, or attached appendices, shall constitute default of this contract.

B. When a breach of this contract has occurred, the COUNTY shall provide written notice of default and shall allow PROVIDER a reasonable specified period of time to correct its breach of the contract.

C. If PROVIDER does not correct its violations of the contract as specified, COUNTY may terminate the contract in whole or in part if such partial termination is in the best interest of the COUNTY."

3. Section XII. (Indemnification and Hold Harmless Clause), is hereby deleted and replaced with the following:

"XII. INDEMNIFICATION AND HOLD HARMLESS

A. The PROVIDER shall indemnify and hold harmless the COUNTY and each of its officials, employees, and agents from any and all suits, actions, legal or administrative proceedings, claims, demands, damages, liabilities, interest, attorney's fees, costs and expenses for whatsoever kind or nature, resulting from third party claims caused by:

1. Professional error or omission, fault, or negligence by PROVIDER or any one acting under its direction, control of or on its behalf in connection with or incident to its performance of this contract.

2. General public liability claim for personal injury, death, or property damage to the extent caused by activities of PROVIDER which pertains to this contract.

B. If any claim is made against COUNTY which would give rise to a right of indemnification by COUNTY from PROVIDER, COUNTY will give notice thereof to PROVIDER. The COUNTY may permit the PROVIDER to assume the defense of any such claim, or any litigation resulting therefrom. Counsel for PROVIDER, which will conduct the defense of such claim or litigation, must be approved by COUNTY, whose approval will not unreasonably be withheld. If COUNTY consents to permit PROVIDER to assume defense, COUNTY may participate in such defense. Neither party will consent to entry of any judgment or enter into any settlement without the written consent on the other party, which consent will not unreasonably be withheld. The parties shall cooperate fully with each other and make available to COUNTY all pertinent information under its control.

C. It is expressly understood by PROVIDER that the Pennsylvania state statute, specifically 42 Pa. C.S.A. §8549, which limits recovery against a local government unit and/or its officials and employees to a maximum of $500,000.00, is not applicable to recovery of damages in an action against PROVIDER.

D. Neither Party shall be liable under or in connection with this Agreement for any consequential, special, incidental, indirect, punitive or exemplary damages. Notwithstanding the foregoing, PROVIDER shall be responsible for damages which result from delay attributable to PROVIDER's professional error or omission, fault or negligence, if those actions or inactions are within the scope of PROVIDER's professional responsibilities as defined in Section XIX. Such damages may include increased costs of construction.

E. In no event shall PROVIDER's liability to COUNTY arising out of or in connection with the performance or nonperformance of any or all Services or other obligations under this Agreement exceed the total amount paid to PROVIDER under this Agreement, whether based on, contract, tort, negligence, strict liability, warranty, indemnity, error and omissions or otherwise, provided that such limitation of liability shall not apply to PROVIDER's indemnity obligations for claims asserted against the COUNTY by third parties as identified herein in XII.A.2, and provided further that such limitation shall not apply to amounts actually paid from the professional liability or other insurance PROVIDER is required to maintain pursuant to the terms of this Agreement."

4. Section XIX. (Professionalism), is hereby deleted and replaced with the following:

"XIX. PROFESSIONALISM

A. It is contemplated, expected and understood by the parties that PROVIDER will execute and perform the services to be provided to COUNTY in a professional and ethical manner. All work performed or managed by PROVIDER must be of the highest

quality and should conform to all standards, safety guidelines, and design conditions as may be imposed by legitimate regulatory organizations, including governmental agencies and municipalities. All services to be performed under this Contract shall be performed in the most cost-effective manner while still achieving the objectives of COUNTY.

B. The recommendations, advice, budgetary information and schedules to be furnished by PROVIDER under this Agreement shall not be deemed to be representations, warranties, or guarantees or constitute the performance of licensed architectural or engineering professional services. Further, PROVIDER shall not be required to provide professional services that constitute the practice of architecture or engineering. PROVIDER shall cause any such services to be provided by a properly licensed design professional. Any claim by COUNTY for damage, loss, or expense, based directly or indirectly upon acts, errors, or omissions of any architect, engineer, or other design professional who PROVIDER is required to engage in connection with this Agreement shall be made by COUNTY against said design professional and its insurer(s) only, and PROVIDER shall have no liability of any kind, direct or indirect, for the professional negligence of said design professional under this Agreement or otherwise.

C. PROVIDER shall perform its services under this Contract with the degree of skill and care ordinarily exercised by similarly situated members PROVIDER's profession on projects of similar locality, size, scope, and complexity as is involved on the Project. The Parties agree that the Architect/Engineer hired by COUNTY is solely responsible for the design requirements and design criteria for the Project and for performing in accordance with the contract between COUNTY and Architect/Engineer. The Parties hereto agree that the contractor hired by COUNTY shall be solely responsible for construction means, methods, techniques, sequences and procedures, the contractor's schedules, and for safety precautions and programs in connection with the Project and for performing in accordance with the COUNTY-Contractor Agreement. PROVIDER shall be responsible for the PROVIDER's acts or omissions but shall not have control over or charge over acts or omissions of the contractors, subcontractors, or the agents or employees of the contractor, subcontractors, the Architect/Engineer, or the COUNTY. Nothing in this Contract shall be construed as an assumption by PROVIDER of the responsibilities or duties of the Project's contractor or the Architect/Engineer. PROVIDER shall be entitled to rely upon the Project's Architect/Engineer and contractor for the proper performance of their obligations pursuant to their respective contracts with COUNTY."

5. Section XX. (Audit), is hereby amended to include the following paragraph:

"D. The parties agree that the rates, multipliers and other fixed percentages and amounts it has agreed that PROVIDER may charge are subject to audit rights only to confirm that such rates, multipliers, percentages or amounts have been charged by PROVIDER in accordance with this Agreement, and that the composition of such

rates, multipliers, percentages or amounts are not subject to audit."

5.1.8	Architect Issues Notice to Proceed	As determined
5.1.9	Construction Substantial Completion	December 2022
5.1.10	Certification of Occupancy	December 2022
5.1.11	Punch List and Project Closeout	January / February 2023

6.0 Mandatory Pre-Proposal Meeting

6.1 A mandatory pre-proposal meeting will be held at the Cedarbrook-Allentown Senior Care & Rehab Main Lobby, on March 10, 2020, commencing at 11:00 A.M. A general briefing for all proposers will be conducted. Attendees should review this RFP in advance of the pre-proposal meeting.

6.2 Proposals will only be considered from vendors who have attended this mandatory pre-proposal meeting.

6.3 Any information offered that is not already specifically included in this RFP packet is considered unofficial, unless received in the form of a written Addendum. Verbal instructions are not binding on either the County, or bidder.

7.0 Scope of Work – General

7.1 Under a single contract with one (1) firm, the Construction Management (CM) Team will provide all inclusive, comprehensive construction management services to support the design and lead construction of the described facility.

7.2 The firm shall provide all construction management services normally and customarily furnished and reasonably necessary for the successful completion of the project. Only those functions specifically assigned to others as stated in the "Scope of Work" document, which under normal circumstances would be the responsibility of the CM Team shall be excluded from the CM's responsibility.

7.3 The County will hire under separate contract, an environmental firm to complete a hazardous materials survey in advance of Schematic Design. The A/E Team shall include this information in planning and remediation during this project. The hazardous survey report will be included in the design specifications. The CM shall provide the management to successfully manage hazardous material remediation.

7.4 The CM shall become familiar with all agencies, applicable codes, laws, and regulations applicable to the facility. Coordination with the regulatory agencies responsible for licensing and approval shall be incorporated into the planning and phasing of all work. The proposal must list which agencies, applicable codes, laws, and regulations agencies apply.

7.5 The CM shall demonstrate experience with projects under PADOH jurisdiction and also skilled nursing facilities.

7.6 At the direction of the Director of General Services, coordinate the construction of the project with County personnel.

7.7 Provide preliminary and, subsequent to County comment and approval, final minutes of all project meetings within one (1) week after each meeting.

7.8 Provide at the start of the project, with support from the A/E Team, a design and bidding schedule, which will result in the herein stated construction start date being met.

7.9 Provide high level project updates to the County Executive and Board of Commissioners every two (2) months during the value engineering (Pre-Design and Schematic to Approved Design) and again during the construction phases.

7.10 CM, along with the A/E Team, shall provide a detailed phasing plan for the coordination of work. The New Wing will transfer functions from the existing wings. Connectors, bridges and reception areas will connect the existing facility to the addition.

7.11 Municipal development approvals have not been secured for this project. The CM shall include in the Scope of Work, assistance to the A/E Team to successfully obtain the required site approvals.

7.12 The County will require all site services, including geotechnical report/testing to support the building of a New Wing, to be completed by the A/E Team, supported by the CM.

7.13 The County will require all site services, including a complete audit of the utility locations, audit to be completed by the A/E Team, supported by the CM.

7.14 The A/E Team will provide the required design documentation to include the IT consulting services requests for hardware installation. Actual equipment (including cabling) for these systems will be the responsibility of the County. Installation of equipment will be part of the CM scope of work.

7.15 The A/E Team will provide general landscape design and documentation to support the civil engineering code requirements. Overseeing construction of the landscaping will be part of the CM scope of work.

8.0 Scope of Work - Pre-Design Phase

8.1 In addition to the work described herein, the County requires the following considerations be addressed in all phases of the work.

8.1.1 No work may compromise the standards of care for residents.

8.1.2 Resident comfort is to be a priority concern during the work and must be factored into planning decisions.

8.1.3 Minimize the impact to staff functionality wherever possible during the planning and execution. Staff comfort should also be considered.

8.1.4 Facility access for emergency vehicles, staff and visitors shall remain unencumbered during the work.

8.2 Based on the approved schematic space planning, and in consultation with the A/E Team, develop a phased plan for implementation of the schematic design. Include demolition, site work, renovations, relocation and additions in this plan.

9.0 Scope of Work - Schematic Design Phase to Approved Design Phase

9.1 From this Schematic Design Phase and for subsequent duration of the project consult with and otherwise include the County's A/E Team in the design of the project, especially with respect to value engineering, constructability, cost estimating and construction scheduling.

9.2 At the direction of the General Services Director, and with the input of the County the CM shall work closely with the A/E Team to refine every detail of the plans.

9.3 CM shall provide reviews, so that contractors will not be delayed in securing permits at the scheduled start of construction.

9.4 A/E Team shall develop both building and site plans to a state of completeness which will enable the County to approve same for further design refinement and production of bid documents. Design should be sufficiently defined with respect to construction types, systems and finishes so as to enable the CM to perform a proper construction cost estimate.

9.5 A/E Team shall prepare fully integrated construction drawings and specifications for all components of the project suitable for multi-part, multi-phased public bids, complete with approvals from state authorities, local authorities, and regulatory agencies both hard copies and in electronic form (CAD) as directed by County. CM shall audit and verify documents.

9.6 CM shall prepare final construction documents (coordinated drawings and specifications), complete for approvals from state authorities, local authorities, and regulatory agencies. Documents shall include, but not be limited to:

9.6.1 Architectural

9.6.2 Electrical

9.6.3 Interior and Exterior Finishes, including color selection

9.6.4 Mechanical

9.6.5 Site/Civil

9.6.6 Security and Telecommunications

9.6.7 Sprinkler Design and documentation (Construction documents to include performance-based design including mans and head layout. Final drawing will be completed by the sub-contractor and submitted to Architect)

9.7 Furniture, Fixtures & Equipment (FF&E)

9.7.1 A/E Team shall be responsible for the location layout of County provided FF&E. Audit existing FF&E, and plan for the location layout of County furnished FF&E. Window Treatments are included in the "Interiors" scope of work. CM shall assist County to ensure compliance.

9.8 CM shall prepare RFP(s) and assist in soliciting services for specialized testing as may be needed during construction.

10.0 Scope of Work - Bidding Phase

10.1 This phase is governed by applicable Commonwealth of Pennsylvania and Lehigh County competitive bidding rules and regulations in bid coordination and administration.

10.2 All portions of this phase will be coordinated with the CM and Lehigh County Chief Procurement Officer. The CM shall be primarily responsible for preparation of the construction bid packets.

10.3 A/E Team will provide complete multi-part, multi-phased public bid specification documentation from which the CM shall develop contractor bid documents.

10.4 CM shall be responsible for the preparation of complete multi-part, multi-phased public bid packets for solicitation of contractor bids. CM shall be responsible to establish the number of prime contracts (approximately eight (8) are to be assumed). Complete bid packets shall include general specifications, drawings and final contract documents, suitable for public bidding.

10.5 CM shall identify and contact potential bidders.

10.6 CM shall provide electronic bid documents to the County Procurement Office for distribution thru the County's website.

10.7 CM shall organize and conduct a pre-bid meeting for prospective bidders.

10.8 CM shall respond to bidders' questions and prepare and issue addenda, as necessary.

10.9 CM shall accept copies of all bids from the Chief Procurement Officer, tabulate, review and verify bid validity.

10.10 CM shall evaluate bids and make recommendations for award of contracts to the County.

10.11 CM shall prepare the contracts between the County and the successful bidders.

11.0 Scope of Work - Construction Administration Phase

11.1 CM, with the A/E Team, prior to or contemporaneously with the start of construction prepare a conformance/construction set of plans and specifications incorporating all changes to the plans resultant of Requests for Information (RFI's) raised during the bidding phase.

11.2 CM shall:

11.2.1 Maintain project schedule. Observe construction progress and report all deviations from the schedule to the County.

11.2.2 Produce monthly status report identifying the activities of the previous month, as well as the activities planned for the following month, including payment schedule and budget, records of payments made and due, and an Action Item Log.

11.2.3 Develop a system for forecasting, preparing and certifying requests for payments by contractors.

11.2.4 Provide on-site presence sufficient to verify compliance with contract documents including specifications, schedules, and applicable laws, ordinances codes and statutes.

11.2.5 Ensure all on-site construction vendors maintain a safe and clean work environment.

11.2.6 Process changes and/or variations during the execution of the project.

11.3 CM, with the A/E Team, shall:

11.3.1 Determine the aspects of the work requiring shop drawings.

11.3.2 Review submittals and shop drawings for compliance with the contract documents.

11.3.3 Insure all legally required permits, licenses and authorizations are addressed, or obtained, by appropriate parties.

11.3.4 Process changes and/or variations during the execution of the project, as agreed upon with the County.

11.3.5 Conduct project closeout, including punch list inspection, training and verification of equipment operation.

11.3.6 Approve as-built drawings, then ensure they are delivered to the County, both hard copies and in electronic form.

11.3.7 Maintain project record - to be transmitted to County at close of project. Record to include

all legally required permits, licenses and authorizations addressed, or obtained, by appropriate parties.

12.0 Scope of Work – Building Operations and Maintenance

12.1 CM, with A/E Team support shall provide:

12.1.1 Accurate Operations and Maintenance (O&M) manuals for all systems installed or replaced during the work. At least two (2) copies of each manual bound in a three (3) ring binder(s) and a digital copy in PDF format to be provided on a disc.

12.1.2 O&M Drawings for all buildings on the campus. Drawings to be produced in AutoCAD version 17 or higher. Provide three (3) complete bound paper copies and one digital copy in both native AutoCAD format and in PDF format on a disc. The county may opt for a Revit model if the work is produced in Revit or another BIM software. If requested, the model will be provided at no additional cost.

13.0 Conforming Work

13.1 All work performed or managed must be of the highest quality and shall conform to all standards, safety guidelines and design conditions as may be imposed by legitimate regulatory organizations, including governmental agencies and municipalities.

14.0 Performance Standards

14.1 All services to be performed under this ensuing contract shall be performed in the most cost effective manner, in achieving the objectives of the County.

15.0 Term of Contract

15.1 Contract shall commence immediately upon final execution and continue uninterrupted until completion of the project.

16.0 Termination of Contract

16.1 The County of Lehigh reserves the right to terminate the contract at any time, with 30 days prior written notice. Contract termination may be initiated by the County:

16.1.1 For convenience, or

16.1.2 If not satisfied with the quality of service provided, or

16.1.3 If the Provider fails to fulfill any of the conditions of these "Specifications"

16.2 In the event of termination for cause or convenience, Provider shall

16.2.1 Only be entitled to payment for services performed. No payment will be made for either unperformed services or profit.

16.2.2 Fully cooperate and provide transition or closeout services to the extent required by County for compensation per the hourly billing rate schedule included in Provider's proposal.

17.0 Qualifications & Experience

17.1 Offeror must:

17.1.1 Be a recognized firm, having conducted business as such for at least five (5) years.

ADDENDUM #1

The following additions, deletions or changes are hereby made to the above referenced "Request for Proposals":

- ✓ Attached is a copy of the sign-in sheet (2 pages) from today's mandatory pre-proposal meeting.
- ✓ Attached is a copy of the MEP Building Evaluation Report, referenced as Item 3.2.1 in the RFP (27 pages).
- ✓ Attached is a copy of the General New Site Plan Drawing, referenced as Item 3.2.2 in the RFP (1 page).
- ✓ Attached is a copy of the New Wing Addition Drawings, referenced as Item 3.2.3 in the RFP (5 pages).
- ✓ Contact for follow up site visit: Ed Fernandes, Director of Facility, 610-336-5609
- ✓ As a reminder, questions are to be emailed to georgenader@lehighcounty.org ASAP and no later than 4:00 P.M., March 18, 2020. A final addendum listing all questions and all answers will be emailed to all pre-proposal attendees no later than 4:00 P.M., March 25, 2020.

The provisions of this Addendum No. 1 shall take precedence over the original "Request for Proposals", wherever they may conflict; the intention being to alter said specifications as noted.

Please be sure to acknowledge your receipt of this Addendum No. 1 in the appropriate area on the Price Proposal Form.

LEHIGH COUNTY EXECUTIVE

BY: George M. Nader, Jr., CPPO
Chief Procurement Officer

DATED: March 10, 2020

#20-008 CEDARBROOK ADDITION & RENOVATIONS PROJECT - CM SERVICES
03/10/2020 MANDATORY PRE-PROPOSAL MEETING

Firm Name	Attended By	Telephone #	E-mail Address
County of Lehigh	Richard D. Molchany	610-782-3001	rickmolchany@lehighcounty.org
Cedarbrook Senior Care & Rehab	Jason Cumello	610-336-5610	jasoncumello@lehighcounty.org
County of Lehigh	George M. Nader, Jr.	610-782-3030	georgenader@lehighcounty.org
Wagner Construction	Bob Hopkins	717-814-4927	rchopkins@wagnercon.com
Sordoni Construction Services	Tony Scalzo	570-479-5550	tscalzo@sordoni.com
SORDONI	Demetri Patitsas	570-283-6244	dpatitsas@sordoni.com
SKANSKA	GARY WARREN	(267) 481-1315	gary.warren@skanska.com
Alvin H. Butz	Wendy Body	610 972 5748	wendy.body@butz.com
Alvin H Butz	Tom Grannetino	6109725648	TGRANNETINO@Butz.com
Hill International	David Thomas	484 252 3917	davidthomas@hillintl.com

#20-008 CEDARBROOK ADDITION & RENOVATIONS PROJECT - CM SERVICES
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Firm Name	Attended By	Telephone #	E-mail Address
County of Lehigh	Richard D. Molchany	610-782-3001	rickmolchany@lehighcounty.org
Cedarbrook Senior Care & Rehab	Jason Cumello	610-336-5610	jasoncumello@lehighcounty.org
County of Lehigh	George M. Nader, Jr.	610-782-3030	georgenader@lehighcounty.org
Warfel Const J. C. Messina	J. C. Messina	215.901.1554	jmessina@warfelcc.com
PJ Dick	Patrick Pero	4844310355	Patrick.Pero@PJDick.com
PJ DICK INC	GARY HEINERICHS	484-872-2000	GARY.HEINERICHS@PJDICK.COM
BOYLE CONSTRUCTION, INC	CHRISTIAN DONOVAN	484-357-8940	CDONOVAN@BOYLECONSTRUCTION.COM
JANICE S. Dompkins	JANICE SMOLINSKI		dpatitsv@saudun.com
T+M Associates	Matthew Harleman	610-625-2999	mharleman@tandmassociates.com

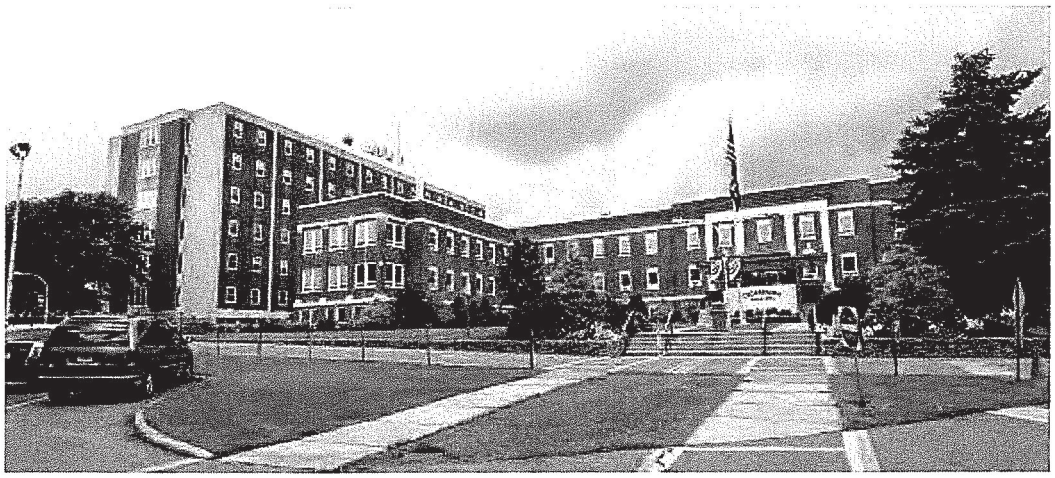
strunk-albert engineering

Section 4.0

Mechanical, Electrical and Plumbing Systems

Building Evaluation

Cedarbrook - Allentown Nursing Home



Prepared for:

Roth Marz Partnership, PC

MARCH 20, 2017

STRUNK-ALBERT ENGINEERING
804 Seven Bridge Road • East Stroudsburg, PA 18301
570-421-2025 • mail@strunk-albert.com • www.strunk-albert.com
Partners: David B. Strunk, P.E. and Kenneth R. Zimmerman, P.E.

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I. PURPOSE

Strunk-Albert Engineering (SAE) was retained by Roth Marz Partnership, PC to assist with a facilities assessment and master plan at the Cedarbrook-Allentown Nursing Home, 350 S. Cedarbrook Road, Allentown PA. The County Garage and the Juvenile Detention Facilities which are located on the same campus in proximity to the Nursing Home, are not a part of this assessment.

SAE's scope of work was to review the building's Mechanical, Electrical, Plumbing, and Fire Protection (MEP) systems, to describe the general condition of the various systems, and to offer opinions and recommendations related to the observed deficiencies, repairs, replacements, and improvements.

SAE did not perform assessment of the facility's building envelope, structure, elevators or dietary equipment.

This report provides a summary of SAE's observations and offers our professional opinion of the condition of the existing building's MEP systems.

The *italicized footnote (***)* after each system description indicates the recommended action with regard to the system.

II. PROCEDURE

Strunk-Albert Engineering staff performed site surveys of the existing building at various occasions in late 2016 and early 2017.

Subsequent to the site survey, previous renovation construction drawings of the MEP systems were reviewed in comparison to the existing conditions which were observed.

Note that although some of the building's MEP systems were operating during the site surveys, SAE did not perform any specific testing of any of the systems to determine if they were functional. The narrative information is based on visual observations only without performing any destructive testing.

SAE received input and feedback from Cedarbrook staff on the history and status of the building systems, and SAE also contacted various equipment manufacturer's representatives for technical assistance and information regarding some of the existing system components.

SAE also has previous experience and direct involvement with replacement and repairs of various MEP systems in the building, and we include that knowledge and background where relevant in this report.

Photographs of specific or typical conditions are referenced by **< #XX >** in the body of this report and are included in Part XII.

III. CAMPUS BUILDINGS AND UTILITY SUMMARY

A. GENERAL

B, C, and Center wings comprised the original Cedarbrook Nursing Home building and they are in substantially the same configuration as their original 1954 construction and still contain much of the original MEP system infrastructure. Some systems have been updated as described below, but no major renovations or upgrades have occurred in these wings, except for a Kitchen Renovation project.

A-wing was an early addition (1958) to the original Cedarbrook building (now called B and C wings) and it was extensively renovated in 2002 to independent living apartment units.

D-wing was constructed in 1970. It contains much of its original MEP system infrastructure. Some systems have been updated as described below, but no major renovations or upgrades have occurred.

The Laundry Building originally was used to process the facility's and residents' laundry but is now used mainly for storage. The D-wing emergency generator plant is located in the building.

The Boiler House contains the steam boiler system which provides the heat to all of the wings and the Laundry Building.

The other buildings on the campus (County Garage, Juvenile Detention, and old Juvenile Detention) are not part of this assessment and are not connected to the Boiler House or Nursing Home. They are served from the campus high voltage system described in Paragraph E.

B. STEAM

The Boiler House north of A-wing is the source for medium pressure (75 psi) steam which serves all of the Nursing Home wings. Three steam boilers and related equipment are located in the Boiler House. Refer to Section IX below for Boiler House details.

Medium pressure steam is delivered via piping through an underground tunnel to the main building. The piping passes under A-wing and enters B-wing basement. The main steam distribution manifold in B-wing consists of several main steam valves and pressure regulators where steam piping branches to the other wings originate.

C. PLUMBING – WATER AND SEWER

Water service to A-wing is from a South Whitehall Township (SWT) meter pit near the northeast (front) corner of the site. Water mains run underground into the north side of A-wing.

Water service to B, C, Center, and D wings is from a SWT meter building at the southwest (rear) corner of the site behind the Laundry Building. The water mains runs underground below the rear service road and enters each wing from the west.

Water services to the Garage and Juvenile Detention run underground from the northeast meter pit between A-wing and the Boiler House to those buildings.

A-wing sanitary sewer discharges through two 6 inch laterals to the north. B, C, Center, and D wings each have a sanitary sewer lateral which discharges to a 10 inch campus sewer main below the rear service road.

The main campus 10 inch sanitary sewer runs off campus to the north, between the Boiler House and the Garage.

D. OXYGEN

The medical oxygen storage tank and supply manifold is located on grade southwest of D-wing. The main tank is vendor-owned. Portable cylinders are used for reserve supply and connected via a manifold. Oxygen is piped underground to D-wing and is distributed to resident rooms on D-wing floors 2, 3 and 4. **< #29 >**

E. FIRE PROTECTION

The Nursing Home contains a complete fire suppression sprinkler system. The water service for the system originates in the same two SWT meter pits as described in paragraph C above. A-wing contains a dedicated fire pump. D-wing contains a fire pump which provides pressure to B, C, Center, and D-wings. The D-wing fire service is connected to both SWT meter pits.

F. CAMPUS ELECTRICAL & TELECOMMUNICATIONS

The Nursing Home is served from the county-owned campus aerial high-voltage (13.2 kV) system via three pad-mounted transformers. The same campus electrical distribution system also serves the County Garage and the Juvenile Detention Facility on the campus via separate transformers. Portions of the aerial system have recently been improved with new poles and new outdoor pad-mounted transformers for B and D wings installed.

The campus distribution system originates at a single PPL service pole where the entire campus system is metered. No individual building electric meters exist. From PPL meter records the peak demand load in 2015-2016 was 962 kVA.

The Boiler House is served from the B-wing switchgear (120/208 volts). The Laundry Building is served from the D-wing switchgear (120/208 volts).

Telecommunications services to the Nursing Home and other buildings are run on the same aerial service poles with underground service connections. The telecom lines are owned by the various service providers. Lehigh County Emergency Operations / 9-1-1 maintains communications facilities at the Nursing Home, a backup 9-1-1 center is located in the Laundry Building

The site lighting consists of a total of 40 light poles of several different pole and fixture types. In general the site roadways and parking lots are adequately illuminated. ****The staff parking lot behind the Laundry Building is not well lit and should have additional poles.*

G. SECURITY SYSTEMS

The main nursing home contains a closed circuit security camera system (CCTV) and a door access control system. Both systems are functional but aged, especially portions of the CCTV system and cameras. Additional CCTV cameras are desired to improve security monitoring.

**** The County is considering overall improvements to its county-wide security systems under a separate contract, so detailed descriptions and recommendations related to these systems are not included in this report.*

H. NATURAL GAS SERVICES

UGI Utilities provides natural gas service to the Campus. One service feeds the Boiler House. A branch line runs to the County Garage. The underground gas extends around the rear of the main building and serves the Dietary area and continues to the Laundry Building. Separate UGI meters are located at each service point. UGI owns the underground piping system.

IV. A-WING

A. GENERAL

A-wing renovations which occurred in 2002 substantially replaced the MEP systems in the wing when it was converted to its current apartment configuration. For the purpose of this assessment it is assumed that all of the MEP systems are adequate and in good condition to serve the current building functions.

B. HVAC

The heating source for A-wing is via steam delivered from the Boiler House. The steam is backfed from B-wing. A steam-to-water heat exchanger produces heating hot water and pumps circulate the heating hot water via a 4-pipe system to fan coil units in the apartments. A chiller and chilled water pump provides the cooling source for the apartments. The ground floor of A-wing is heated from a heat exchanger and pump set in B-wing.

B. PLUMBING

The domestic water service main enters A-wing directly from the northeast SWT meter pit. Domestic hot water is heated from steam via a shell-and-tube instantaneous water heater.

D. FIRE PROTECTION

A-wing is fully sprinklered. The sprinkler service main enters the wing directly from the northeast SWT meter pit. A dedicated fire pump serves the A-wing sprinkler system.

E. ELECTRICAL

The A-wing electrical service originates at an outdoor pad-mount 750 kVA transformer which is dedicated to A-wing. It is fed from the County-owned campus high voltage aerial distribution system. Dedicated electrical distribution equipment is located in A-wing. An outdoor diesel-fuel emergency generator serves A-wing. A-wing fire alarm system is part of the main building system. It was totally upgraded in 2002.

V. B-WING

A. GENERAL

The B-wing MEP systems are generally aged and, with only a few exceptions, are at the end of their useful life A detailed equipment inventory is included in Section X below.

B. HVAC

Steam System

The heat source for B-wing is via 75 psi steam delivered from the Boiler House to the main steam distribution manifold. The manifold consists of several main steam valves and pressure regulators where steam piping branches to the other wings originate. **< #4 >**

Four steam pressure regulators are located in B-wing basement. Four other steam pressure regulators and two condensate receiver pumps are located in the kitchen basement. Many steam traps are existing, in various condition. **< #14 >**

While attempts have been made in maintaining insulation on the complex steam and condensate piping system, including the many valves, traps, heat exchangers, and other components, there are many portions of the piping system that are currently not insulated which leads to heat loss and energy waste. There also numerous leaks caused by aged or deteriorated pipe joints, gaskets, valve packing, or trap failures.

Heating hot water is generated via a steam-source shell-and-tube heat exchanger. Heating hot water is circulated to the heating terminal units on the resident room floors via two heating pumps.

****Replace all major steam system components and manifold header at steam entrance into B-wing. This includes pressure regulators, gate valves, traps, condensate receiver, heat exchangers. This steam infrastructure serves as the main distribution point for the entire main building.*

Temperature Controls

The original temperature control system is mostly intact and uses antiquated electro-pneumatic control components for thermostats, valve actuators and damper actuators.
Four pneumatic air compressors with air dryers provide the air source for the pneumatic temperature control system components. The pneumatic temperature control system controls only the heating equipment. It requires frequent and on-going maintenance, and is not accurate or energy-efficient in controlling the building heating system. **< #6 > < #7 >**

****Replace pneumatic controls with electronic/DDC to achieve better temperature control, improve efficiency, and reduce maintenance.*

Resident Rooms HVAC

The resident rooms are cooled via a ducted air conditioning system installed in the 1980's. Each floor has an indoor air handler with DX cooling coil and an outdoor condensing unit on the roof. Each floor has a single thermostat, no individual room control is provided. The air is returned from the rooms to the air handler by travelling through the corridors. This is a code violation and an FSES is in place in response to a DOH safety inspection. The DX systems use R-22 refrigerant which is virtually obsolete. The indoor and outdoor units are at the end of their useful life.

****Replace the air handler, condensing unit, refrigerant piping, and revise return air system to eliminate the code violation.*

The resident rooms are heated via hot water baseboard heating terminals. The rooms are zoned with two or three rooms controlled by a single pneumatic wall thermostat. The zone control valves are located in the baseboard enclosure

C. PLUMBING

B-wing contains much of its originally-installed plumbing piping systems. The piping system is extensive as it serves plumbing fixtures on multiple locations on all floors.

Domestic hot water is produced via three shell-and-tube instantaneous water heaters. Although these are good quality units appropriate for the intended use, the conditions and heavy demand require frequent maintenance of the valves, traps and heat exchangers. The original horizontal DHW storage tank is not in use. **< #3 >**

The hot water distribution system includes several recirculation zones with hot water recirculation pumps and mixing valves. The facility reports that the mixing valves are no longer used and that water is heated to 110 degrees and distributed to the floors.. **< #5 >**

A Culligan water softening system, recently installed and in apparent good condition, is located in the B-wing basement. It serves A, B and C-wings and conditions the domestic hot water system to reduce scaling. **< #8 >**

The water distribution piping consists of copper tubing and galvanized steel pipe, much of which is aged and leaks are becoming more frequent. The original pipes were often installed above areas congested with other pipes, conduits, ducts, or building structure, which makes repair or replacement difficult in many locations. **< #9 > < #11 > < #15 >**

****Replace domestic water piping throughout the wing.*

The sanitary drain piping consists mainly of copper and cast-iron piping. The age of the pipes has led to deterioration through the pipe wall and leaks are becoming frequent. The original pipes were often installed above areas congested with other pipes, conduits, ducts, or building structure, which makes repair or replacement difficult in many locations. **< #10 > < #12 >**

****Replace sanitary drain piping throughout the wing.*

D. FIRE PROTECTION

B-wing is fully protected via an automatic wet-pipe sprinkler system. The sprinkler system was installed in the 1990's and is routinely inspected and tested and is assumed to be functional. The portions of the system which were observed appear to be in good condition. No known problems are reported by CB maintenance.

Fire hose cabinets, valves, and hoses have been removed. Fire department hose valves are located on standpipes in the stairtowers.

E. ELECTRICAL

The B-wing electrical service originates at an outdoor pad-mount 500 kVA transformer which serves B-wing and parts of the Center wing.

The main B-wing electrical switchgear in the basement level is old (1960's vintage at best) GE equipment which is functional but is in an end-of-life condition. Various electrical panels or components were observed to be rusted or otherwise in need of replacement. The age of the

original feeders and branch circuit wiring makes it suspect as to its condition and remaining life expectancy. ****Replace the main switchboard.*

A 100 kW Kohler 120/208 volt emergency generator is located a Generator Room in the basement. The generator appears to be 1970's vintage. The generator engine is dual-fuel (natural gas and LP gas). The associated Zenith automatic transfer switch is of the same age. The generator and transfer switch are functional, as observed in actual operating condition during a planned power shutdown in November 2016, but due to age are basically obsolete. The emergency power system serves only limited loads in the B and C wing. **< #1 > < #2 >**

****Replace the emergency generator and transfer switch*

F. FIRE ALARM

All wings of the Nursing Home are interconnected to a single fire alarm and detection system. The A-wing apartments contain smoke alarms which are monitored at the main panel but do not actuate a general alarm condition. The A-wing corridor detectors and pull stations do initiate a general alarm, as do the devices in all other wings.

The main fire alarm panel for the Nursing Home is located in B-wing basement. **< #16 >**. The system is an EST addressable system, original 1990's vintage, and is routinely inspected and tested and is maintained under a service contract with Eastern Time. The system has had numerous updates over its life. All of the alarm devices are of current technology. The notification devices are speakers/strobes and will need to be updated to meet new audibility frequency code requirements in the future.

The system is functional and in good condition. It can be expanded and/or updated in the future if necessary. No known problems are reported by CB maintenance or Eastern Time.

VI. CENTER WING

A. GENERAL

The Center Wing contains the Kitchen, Dining Rooms and Dietary offices on the ground floor, plus the Auditorium on the upper floors. A detailed equipment inventory is included in Section X below

The Kitchen was substantially removed in 1996-97 and most of the current MEP infrastructure is from that renovation project.

The Auditorium has been moderately renovated over its life. Some of the MEP components date back to the original construction.

B. HVAC

Kitchen

The Kitchen is heated, exhausted and air conditioned via a ducted HVAC system consisting of four outdoor heat exchange air handlers, an air-cooled chiller, and cooking hood exhaust fans. A rooftop AC unit also serves the Kitchen and dietary offices. The chiller is currently inoperative and is scheduled to be replaced in spring 2017. The rooftop AC unit is also scheduled to be replaced in spring 2017. The other components are functional but beginning to age.

Auditorium

The Auditorium is heated via four 1970's vintage unit ventilators along the perimeter walls. The UV's include a steam heating coil, supply fan, and an outdoor air intake louver through the exterior wall. The temperature controls are pneumatic with pneumatic wall thermostats. The UV's function and are assumed to provide adequate heat output. The UV's are old, and replacement parts are likely obsolete. The pneumatic controls are also hard to maintain and limited in their function.

When the UV's are operating they are designed to deliver outdoor ventilation air to the space, and in mild weather conditions they are designed to deliver 100% outdoor air for economizer cooling. This air was designed to be exhausted through the center ceiling grilles up to a roof vent. However at some point the vent was removed and the roof opening capped, thus there is no path to relieve the outdoor air except perhaps through leaky windows or out into the corridor.

The Auditorium is served by (4) independent split system air conditioners.

AC System #1 includes a cooling-only air handler above the stage with supply and return air ductwork, plus an outdoor air intake duct. It is connected to a rooftop condensing unit.

AC System #2 and #3 are similar. Each include a cooling-only air handler located in a second floor storage room, one on either side of the stage. Supply air is ducted straight thru the wall into the Auditorium to a 16' high supply diffuser. Return air is ducted down to a return grille 5' above the floor. Each air handler is connected to a rooftop condensing unit.

AC System #4 includes a cooling-only air handler in a second floor storage room adjacent to the Auditorium Balcony. It is ducted to supply and return air grilles in the Balcony ceiling. It is connected to a rooftop condensing unit. No ventilation air was observed for this system.

All of the systems are 20 years old and use R-22 refrigerant which is virtually obsolete. The outdoor units are at the end of their useful life. The indoor units could remain in service longer, but due to the refrigerant issue the coils and piping must be replaced along with the condensing unit.

A Johnson Controls temperature control panel controls each AC system.

C. PLUMBING

Except for the Kitchen area, most of the plumbing infrastructure is original to the building. The same problems are noted as described in B-wing above

Most of the Kitchen plumbing systems were replaced during the renovation project. A separate domestic steam-fired instantaneous water heater is located in a mechanical room below the kitchen and delivers 140 degree hot water. Booster heaters are provided on the dishwashers.

A separate UGI gas service and meter is located outside the Kitchen and serves the cooking appliances as well as the Kitchen emergency generator.

D. FIRE PROTECTION

The Center wing fire protection system is in good condition and similar to that described for B-wing above.

E. ELECTRICAL

The Center wing contains branch circuit electrical panels of various age and condition, some original 1950's construction.

During the Kitchen renovation project a new 2000 amp switchboard was installed to serve the Kitchen and dietary areas. It is connected to the D-wing main switchboard via a 2000 amp busduct which runs through the pipe tunnel to the Kitchen Electrical Room. The switchboard also sub-feeds out to an 800 amp main distribution panel.

A 45 kW emergency generator provides limited emergency power to the Kitchen, mainly serving refrigeration equipment and some lighting. It is not adequate to allow kitchen operations during a utility power interruption. The emergency power system is being studied under a separate project and will not be addressed in this report.

VII. C-WING

A. GENERAL
The MEP infrastructure in C-wing is very similar to B-wing except the major steam distribution components are not present in C-wing. A detailed equipment inventory is included in Section IX below.

B. HVAC

C-wing contains a small mechanical room. Heating hot water is generated via a steam-source shell-and-tube heat exchanger. Heating hot water is circulated to the heating terminal units on the resident room floors via two heating pumps. **< #13 >**

The condition of the C-wing Resident Room HVAC systems is similar to that described for B-wing above, with the same deficiencies observed.

C. PLUMBING

The condition of the C-wing plumbing system is similar to that described for B-wing above, with the same deficiencies observed.

D. FIRE PROTECTION

The C-wing fire protection system is in good condition and similar to that described for B-wing above.

E. ELECTRICAL

C-wing contains branch circuit electrical panels of various age and condition.

New critical branch emergency power panels were installed on each floor in 2015 along with new resident room emergency receptacles. These panels are served from the D-wing emergency power system installed in 2013.

The C-wing corridor air conditioning systems were also connected to the emergency power system in 2015.

VIII. D-WING

A. GENERAL

D-wing's MEP infrastructure is in relatively better overall condition than the other wings due to its newer construction date. However, the original components are now over 45 years old and at the end of their useful life. A detailed equipment inventory is included in Section IX below.

B. HVAC

The HVAC system is a two-pipe heating/cooling changeover system. Dual temperature pumps circulate the water up through the wing to terminal equipment on each floor. Heating hot water is produced via boiler house steam in a shell-and-tube heat exchanger. The steam is piped from the main manifold in B-wing basement through piping tunnels. ****Replace main steam supply components in basement*

Chilled water is produced via a Carrier water cooled dual screw compressor chiller. It is uses refrigerant R-134a. The chiller condenser is connected to an outdoor Evapco cooling tower. The chiller and cooling tower were replaced in 2006. **< #27 > < #28 >**

Each resident rooms is heated, ventilated, and cooled via an individual room fan coil unit controlled from a room thermostat. All of the fan coil units plus portions of the branch piping were replaced during a 2016-17 project. The central core areas are heated and cooled from a single above-ceiling unit at the nurse station. The remote parts of the corridors are not adequately conditioned from the single unit. The exhaust fans are mostly original equipment. ****Replace exhaust fans*

C. PLUMBING

The original domestic shell-and-tube instantaneous water heater in D-wing basement provides hot water. Most of the plumbing piping is original to the building except where pipe sections were replaced to repair leaks. There are many pipe leaks and indications of deterioration visible.
< #21> ****Replace water heater*

Recent pipe leaks have required several pipe sections to be removed. It is evident from the stockpiled sections that were removed how extensive the pipe deterioration and blockages are.
< #25 > ****Replace all domestic water and sanitary drain piping, plus aged plumbing fixtures*

D. FIRE PROTECTION

The D-wing fire protection system is in good condition and similar to that described for B-wing above.

The main fire pump for B, C, Center and D-wings installed in the 1990's is located in the D-wing basement. It is a diesel engine pump with an indoor fuel tank in the room. Water supply to the pump is from both SWT metered services which provides redundancy in case of loss of either water source. The fire pump equipment is functional and appears to be in very good condition. **< #20 >**

E. ELECTRICAL

The D-wing electrical service originates at an outdoor pad-mount 1,000 kVA transformer which is connected to the D-wing main switchboard. It is fed from the County-owned campus high voltage aerial distribution system.

The D-wing main electric service consists of a 4000 amp 120/208 volt Square D Switchboard in the D-wing basement. The main switch was replaced in 2015 and the main fuses replaced with 3000 amp fuses in November 2016 to match the service transformer capacity. **< #19 >**

The emergency power system for D-wing was installed in 2014 and consists of (3) 150 kW Kohler dual fuel (natural gas and LP gas) paralleled gensets. The gensets are located in a dedicated generator room in the Laundry Building. The emergency output power from the generators is via a 2000 amp busduct to the Transfer Switch Room in D-wing basement. Four automatic transfer switches distribute the emergency/normal power to distribution panels. One ATS is for Life Safety Branch, one is for Equipment loads, and two are for Critical Branch loads. The generator system serves D-wing and C-wing loads. **< #17 > < #18 >**

New critical branch emergency power panels were installed on each floor in 2015 along with new resident room emergency receptacles. These panels are served from the D-wing emergency power system installed in 2013.

Most other panelboards along with wiring, light fixtures and devices are original to the building construction. ****Replace original panelboards and feeders, plus light fixtures*

IX. BOILER HOUSE

The Boiler House is the source for steam used to heat all wings of the Nursing Home, plus produce domestic hot water, and for cooking use in the kitchen.

Three Burnham dual-fuel (natural gas and #2 fuel oil) firetube steam boilers with power flame burners are located in the Boiler House. Two boilers are rated 400HP, one is 300HP. They produce 75 psi steam which is piped to the Nursing Home through an accessible steam tunnel. **< #30 > < #31 >**

An underground 10,000 gallon fuel oil storage tank is located near the Boiler House and serves the boilers. A separate UGI natural gas service and meter is located at the Boiler House

All three boilers, plus the related condensate return components, were replaced in 2003. The boilers are fully automated, and appear to be in good condition. The maintenance staff indicated that recent combustion efficiency tests show the boilers being over 90% efficient. The boilers are routinely serviced and cleaned on a rotating cycle. No problems were reported with the boilers.

Based on recent operating experience, it was reported that there is at least 400 HP excess boiler capacity available from the boiler plant. During cold weather periods it was reported that the building load can be handled by one 400HP and one 300HP boiler operating.

The condensate return from the main building to the boiler house is piped through the same steam tunnel as the steam supply to the main condensate receiver and return pumps **< #33 >**. Condensate is pumped via high pressure feed pumps to a deaerator tank on the upper level. These expensive pumps require frequent service and replacement due to the corrosive nature of the steam condensate **< #32 >** ****Replace all condensate and feedwater pumps*

The main condensate return pipe running through the tunnel was replaced circa 1996. The main steam supply pipe has not been recently replaced and may be original to the Nursing Home construction (1954). Although no pipe leaks in the tunnel are apparent or reported by the facility, the supply pipe is likely near the end of its useful life. ****Replace the main steam supply pipe from the boiler house to B-wing.*

The Boiler House is normally powered from a 120/208 volt electrical feeder originating in B-wing. The main switchboard is 1950's vintage and is beyond its useful life. *** *Replace main switchboard.*

Emergency power is provided from a dual fuel (natural gas and LP) 100 kW generator and automatic transfer switch which were installed to replace older equipment in 2014.

X. EQUIPMENT INVENTORY

Building Location	Type of Equipment	Manufacturer	Model	Serial #
A-GROUND	ROOF TOP UNITS	CARRIER	38AK5008-501	1696G00299
A-GROUND	ROOF TOP UNITS	CARRIER	38CKB060500	1896E17928
AUDITORIUM	AIR HANDLER	CARRIER	40VL006300	G483701
AUDITORIUM	AIR HANDLER	CARRIER	40VL003320	L433109
AUDITORIUM	AIR HANDLER	CARRIER	NOT ACCESSIBLE	
A-WING / BSMT	FAN COIL UNITS	TRANE	MODEL C (1)	NOT ACCESSIBLE
A-WING / BSMT	HEATEXCHANGER	ARMSTRONG	WSF-82-2-3	480716
A-WING / BSMT	HOT WATER MAKER	PATTERSON-KELLY	C454320-1	NONE
A-WING / FIRST	AIR HANDLER #1	TRANE	BCH05	T03H52687
A-WING / ROOF	AIR-COOLED CHILLER	TRANE	RTAA-70	U03J02337
A-WING / THIRD	AIR HANDLER #3	TRANE	BCH05	T03H52686
A-WING / THIRD	CIRCULATOR PUMP	B&G AC CIRCULATOR	2BC	188194
A-WING / THIRD	CIRCULATOR PUMP	B&G AC CIRCULATOR	2BC	188193
A-WING /	FAN COIL UNITS	TRANE	MODEL B (90)	VRIOUS
BASEMENT KIT	PPC PUMP-CONDENSATE	SPIRAX	BM-66161	DOES NOT APPLY
BASEMENT KIT	PPC PUMP-CONDENSATE	SPIRAX	BM-66160	DOES NOT APPLY
BASEMENT KIT	STEAM REGULATOR	SPIRAX	TYPE 25 1"	55224
BASEMENT KIT	STEAM REGULATOR	SPIRAX	TYPE 25 3/4"	55223
BASEMENT KIT	STEAM REGULATOR	SPIRAX	TYPE 25 2"	55227
BASEMENT KIT	STEAM REGULATOR	SPIRAX	TYPE 25 2"	55227
BOILER	BOILER	BURNHAM	LN3P.400.50.G0.GP	28084 400HP
BOILER	BOILER	BURNHAM	LN3P.400.50.G0.GP	28085 400HP
BOILER	BOILER	BURNHAM	3P.200.50.G0.GP	28076 200HP
B-WING B2	A/C - COMPUTER-SPLIT	CARRIER	40HH002300	F456770
B-WING B1	A/C - TELEPHONE - SPLIT	CARRIER	40LT024-100	V605312
B-WING BSMT	AIR COMPRESSOR	I/R T30	2475N5	30T-918118
B-WING BSMT	AIR COMPRESSOR	QUINCY	350	717587L
B-WING BSMT	AIR COMPRESSOR	QUINCY	350	717588L
B-WING	AIR COMPRESSOR	I/R T30 NEW	2475	27914
B-WING	AIR DRYER	SPEEDAIRE	5Z656B	WF343
B-WING	AIR DRYER	JOHNSON	A4210-5	DOES NOT APPLY
B-WING B1	AIR HANDLER	CARRIER	40RR012430	G498249
B-WING B2	AIR HANDLER	CARRIER	40RR016410	G490571
B-WING B3	AIR HANDLER	CARRIER	40RR016410	G490574
B-WING	CONDENSATE PUMP	SPIRAX-PPC	66161	SIZE C

B-WING	CONDENSATE PUMP	SPIRAX-PPC	66168	SIZE EC
B-WING Outdoor	CONDENSING UNIT	BALLY	PND-200-1	3689189
B-WING Outdoor	CONDENSING UNIT	COPELAND	KAMI-0100-TAC-100	96A04087
B-WING Outdoor	CONDENSING UNIT	COPELAND	KAMI-0100-TAC-100	96A04085
B-WING Outdoor	CONDENSING UNIT	COPELAND	KAMI-0100-TAC-100	96G05524
B-WING Outdoor	CONDENSING UNIT	COPELAND	KAMI-0100-TAC-100	96G05528
B-WING Roof	CONDENSING UNIT	RUSSELL UNIT	DLD4L44	M9864-181-041
B-WING Roof	CONDENSING UNIT	RUSSELL UNIT	MCH300H22	J9618186
B-WING	HEAT CONTROL	JOHNSON	T-5801-3	DOES NOT APPLY
B-WING	HEATING PUMPS	B&G	2.5AB	1904226
B-WING	HEATING PUMPS	B&G	7.25	NOT ACCESSIBLE
B-WING Corr	HEAT REGISTER	WARREN-	F-2-433	6OUH-577-ORDER#
B-WING Corr	HEAT REGISTER	WARREN-	F-2-433	6OUH-577-ORDER#
B-WING	HEAT TUBE BUNDLES	PATTERSON-	C406736-1	DOES NOT APPLY
B-WING Busn Off	HEAT/AC UNIT	SINGER/SYNDER	K14L5	7/TG79471
B-WING Busn Off	HEAT/AC UNIT	SINGER/SYNDER	K14L5	7/TG79471
B-WING Busn Off	HEAT/AC UNIT	SINGER/SYNDER	K14L5	7/TG79471
B-WING Busn Off	HEAT/AC UNIT	SINGER/SYNDER	K14L5	7/TG79471
B-WING Busn Off	HEAT/AC UNIT	SINGER/SYNDER	K14L5	7/TG79471
B-Wing Dietary	Heat TX Units	Des Champs Lab	PUMPZP8705	960038-1
B-Wing Dietary	Heat TX Units	Des Champs Lab	PUMPZP8705	960038-2
B-Wing Dietary	Heat TX Units	Des Champs Lab	PUMPZP8705	960038-3
B-Wing Dietary	Heat TX Units	Des Champs Lab	PUMPZP8705	960038-4
B-Wing Dietary	HEATING/COOLING	HeatTex Des	ACDR60CD3A	A96J00047
B-WING	DHW HOLDING TANK	PATTERSON-	C419451-1	DOES NOT APPLY
B-WING Dietary	HOT WATER HEATER	PATTERSON-	C407387-1	DOES NOT APPLY
B-WING	HOT WATER HEATER	PATTERSON-	C419453-1,2	DOES NOT APPLY
B-WING	HOT WATER HEATER	PATTERSON-	400-281906	DOES NOT APPLY
B-WING	MAIN CONTROL	JOHNSON	T5800-3	DOES NOT APPLY
B-WING B1	ROOF TOP UNIT	CARRIER	38AKS014-510	1796F03014
B-WING B2	ROOF TOP UNIT	CARRIER	38AKS016-510	1396F98203
B-WING B3	ROOF TOP UNIT	CARRIER	38AK5016-500	1895F34701
B-WING B2	ROOF TOP UNIT	CARRIER	38CKC024320	2497E12637
B-WING	ROOF TOP UNIT	CARRIER	48TJD020	2396F11166
B-WING	ROOF TOP UNIT	CARRIER	48TJD020	530QA
B-WING Outdoor	SPLIT UNIT	SANYO	C3012	27374
B-WING B1	SPLIT UNIT	SANYO	CL1822	29724
B-WING	STATS (20)	JOHNSON	VARIOUS	DOES NOT APPLY
B-WING Bsmt	STEAM REGULATORS	SPIRAX	TYPE 25 2"	55227
B-WING Bsmt	STEAM REGULATORS	SPIRAX	TYPE 25 1"	55223
B-WING Bsmt	STEAM REGULATORS	SPIRAX	TYPE 25 3/4"	55223
B-WING Bsmt	STEAM REGULATORS	SPIRAX	TYPE 25 1"	55224
B-WING Dietary	WALK IN COOLER	BALLY	BFM200A-1	38553892
B-WING Dietary	WALK IN COOLER	RUSSELL UNIT	AA28-122B	J9618184-032
B-WING Dietary	WALK IN FREEZER	BALLY-LARKIN	SERIES DFN	C3831
B-WING Dietary	WALK IN FREEZER	DURACOOL-	85032-10476	C1435AB
B-WING Dietary	WALK IN FREEZER	BALLY	PD-200-1	3689089
B-WING Dietary	WALK IN FREEZER	HARTFORD-	AA2897B	A970599-135
B-WING Dietary	WALK IN FREEZER	HARTFORD-	AA2897B	E960482-61
B-WING Dietary	WALK IN FREEZER	HARTFORD-	AA2897B	E960-482-58
B-WING Dietary	WALK-IN FREEZER	HARTFORD-	AA2897B	E960482-63

C-WING C1	AIR HANDLER	CARRIER	NOT ACCESSIBLE	NOT ACCESSIBLE
C-WING C2	AIR HANDLER	CARRIER	40RR016410	J498401
C-WING C3	AIR HANDLER	CARRIER	40RR016410	G490570
C-Wing Roof	Condensing Unit	Rudd	UAKA-060CAZ	5722M180304957
C-Wing Roof	Condensing Unit	Rudd	UAKA-0602CA2	7011M300504016
C-Wing Roof	Condensing Unit	Sanyo Tri Zone	CM3212	OO27883
C-WING Bsmt	HEAT PUMPS	B&G	2.5AB	1905053
C-WING Bsmt	HEAT PUMPS	B&G	6.875	1905053
C-WING Corr	HEAT REGISTER	WARREN-	F-2-433	6OUH-577-ORDER#
C-WING Corr	HEAT REGISTER	WARREN-	F-2-433	6OUH-577-ORDER#
C-WING B Bsmt	HEAT TUBE BUNDLES	PATTERSON-	C257250	DOES NOT APPL
C-WING D Bsmt	HEAT VENTILATOR	TRANE	125	136214
C-WING D Bsmt	HEAT VENTILATOR	TRANE	125	136214
C-WING D Bsmt	HEAT VENTILATOR	TRANE	125	136214
C-WING D Bsmt	HEAT VENTILATOR	TRANE	125	136214
C-WING Bsmt	REGULATOR	SPIRAX	TYPE 25 1"	55224
C-WING C1	ROOF TOP UNITS	CARRIER	38AKS012-501	3396G00533
C-WING C2	ROOF TOP UNITS	CARRIER	38AKS016-510	1396F98202
C-WING C3	ROOF TOP UNITS	CARRIER	38AE-016-500	1794F93717
C-WING Outdoor	SPLIT UNIT	SANYO TRI ZONE	CM3212	27883
C-WING (FRONT)	SPLIT UNIT	SANYO	CS1211	85403
CLASSROOM 240	GAS FIRED FURNACE	CARRIER	58MCB060116	
CLASSROOM 240	GAS FIRED INFRA.HTR	REZNOR	RIHN30	
DIETARY	HOT WATER	PATTERSON-	C407387-1	DOES NOT APPLY
D-WING Bsmt	AIR CURTAINS	DYNA FORCE	26728	72ESL
D-WING Bsmt	CHANGEOVER VALVE	JOHNSON	D-3246-1	DOES NOT APPLY
D-WING Bsmt	CHANGEOVER VALVE	JOHNSON	V-5650-16	DOES NOT APPLY
D-WING Bsmt	CHILLER	CARRIER	30HXC126	
D-WING D1	CHILLER	WEATHER KING	SW86-3B	18505-161594
D-WING Bsmt	CONDENSER PUMP	B&G	#1510, MODEL 4E	
D-WING Gnd	Cooling Tower	EVAPCO	AT19-66	
D-WING Bsmt	DUAL TEMP. PUMPS	B&G	#1510, MODEL 3B	VARIOUS
D-WING Bsmt	HEAT	MODINES	HS455	31071
D-WING Bsmt	HEAT	MODINES	HS455	31071
D-WING Bsmt	HEAT	MODINES	HS455	31071
D-WING Bsmt	HEAT	MODINES	HS455	31071
D-WING Bsmt	HEAT TUBE BUNDLES	PATTERSON-	C276250	DOES NOT APPLY
D-WING Stairs	HEAT VENTILATOR	MODINES	CR6-58	9-05-A
D-WING Side	HEAT VENTILATOR	MODINES	CR3-08	9-05-A
D-WING Side	HEAT VENTILATOR	MODINES	CR3-08	9-05-A
D-WING Stairs	HEAT VENTILATOR	MODINES	CR6-58	9-05-A
D-WING Bsmt	HEATERS CLASSROOM	MODINES	HS100	51071
D-WING Bsmt	HEATERS CLASSROOM	MODINES	HS100	51071
D-WING Bsmt	HEATERS ED SVCS.	MODINES	HS100	51071
D-WING Bsmt	HEATERS REC&STORE	MODINES	HS190	31071
D-WING Bsmt	HEATERS REC&STORE	MODINES	HS190	31071
D-WING Bsmt	HOT WATER	PATTERSON-	C419453-3	DOES NOT APPLY

D-WING Bsmt	PPC PUMPS	SPIRAX	BM-66161	DOES NOT APPLY
D-WING Bsmt	PPC PUMPS	SPIRAX	BM-66161	DOES NOT APPLY
D-WING	ROOM VENTILATORS	CARRIER (150	42AE2R-2	VARIOUS
D-WING	ROOM VENTILATORS	CARRIER (24	42AE4L-2	VARIOUS
D-WING Bsmt	STEAM REGULATORS	SPIRAX	TYPE 25 21/2"	54697
D-WING Bsmt	STEAM REGULATORS	SPIRAX	TYPE 25 2"	55227
D-WING Bsmt	STEAM REGULATORS	SPIRAX	TYPE 25 2"	55227
D-WING (FRONT)	SPLIT UNIT	WEATHER KING	RCU936-31	NOT FOUND
D-WING (REAR)	SPLIT UNIT	CARRIER	38EN036540	2887E30074
D-WING (REAR)	SPLIT UNIT	SANYO	CL1211	34304
D-WING(FRONT)	SPLIT UNIT	CARRIER	38BRC048520	4497E02902
FACILITIES	SPLIT UNIT	SANYO DUAL	CM1812	71114
FACILITIES	SPLIT UNIT	SANYO DUAL	CM1812	68514
FAMILY ROOM	CEILING	AIR HANDLER	NOT ACCESSIBLE	NOT ACCESSIBLE
FAMILY ROOM	ROOF TOP UNITS	CARRIER	38AKS012-501	0297G00068
KITCHEN	HEAT PUMP	EMI	SH809DA0000AA0A	1-95-J-0806-20
LAUNDRY	GAS FIRED AIR CURT.	BERNER	VSA3120G	
LAUNDRY	WATER HEATER	RHEEM-RUDD	GT-199DVN-1	
LAUNDRY	ELECT. UNIT HEATER	BERKO	HUAA520	VARIOUS
LAUNDRY	ELECT. UNIT HEATER	BERKO	HUAA320	VARIOUS
LAUNDRY	ELECT. UNIT HEATER	BERKO	HUAA720	VARIOUS
LAUNDRY	GAS FIRED UNIT HEAT	REZNOR	UDAS150	VARIOUS
LAUNDRY	GAS FIRED UNIT HEAT	REZNOR	UDAS100	
LAUNDRY	GAS FIRED UNIT HEAT	REZNOR	UDAS75	
LAUNDRY	GAS FIRED UNIT HEAT	REZNOR	UDAS30	VARIOUS
LAUNDRY	SPLIT UNIT	SANYO	C2432	87503
SECOND FLOOR	AIR HANDLER #2	TRANE	BCH05	T03H52685
SECURITY	SPLIT UNIT	SANYO TRI ZONE	CM3213	38934
STAFF DINING ROOM	AIR HANDLER	CARRIER	40VL1006300	L457784
STAFF DINING ROOM	AIR HANDLER	CARRIER	40HH005300	K445068
STAFF DINING ROOM	CEILING	CARRIER	40HH005300	K445068
STAFF DINING ROOM	CLOSET	AIR HANDLER	40VU006300	L457784
STAFF DINING ROOM	ROOF TOP UNIT	CARRIER	38CKB060500	1896E17926
STAFF DINING ROOM	ROOF TOP UNIT	CARRIER	38CKB060500	2897E15031
TELPHONE ROOM B Wing	ROOF TOP UNIT	CARRIER	38ED018300	0788E14965

XI. MEP RECOMMENDATIONS - SUMMARY

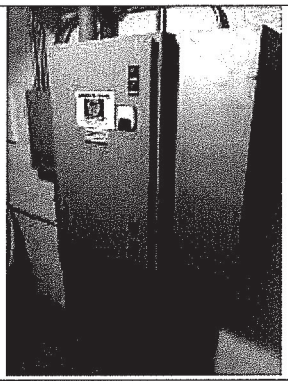
EXISTING SYSTEMS – RETAIN AS EXISTING		
The following major equipment or systems are in fair to good condition and have significant useful remaining life expectancy:		
LOCATION	**ITEM**	**REMAINING USEFUL LIFE (years)**
SITE	Main electric service transformers	30-40
BOILER HOUSE	Boilers	20+
	Emergency Generator	25+
	Steam Return main pipe	30
ALL WINGS	Fire Alarm System	15+
	Sprinkler System and Fire Pumps	20+
A-WING	All systems	20+
B-WING	Water Softener System	20+
D-WING	Chiller and Cooling Tower	20+
	Resident Room fan coil units	25
LAUNDRY BLDG.	Emergency Generator System (C&D wings)	25

RECOMMENDED WORK ITEMS – MEP SYSTEMS		
The following major equipment or systems are at or near the end of their useful remaining life expectancy and are recommended to be replaced:		
AREA	**ITEM**	**DESCRIPTION**
BOILER HOUSE	1	Replace all condensate return and condensate feed water pumps
	2	Replace original steam supply pipe through tunnel to B-Wing;
	3	Replace main switchgear and electrical feeders
A-WING	1	No work required
B-WING	1	Replace split system air conditioning units; indoor AHU and outdoor condensing unit; 3 floors. Replace equipment and revise return air design to eliminate return air through egress corridor.
	2	Replace fin tube radiation and control valves. 3 floors
	3	Replace roof exhaust fans. Clean and rebalance exhaust ductwork.
	4	Replace main steam distribution components in B basement; pipe header, shutoff valves, traps, PRV's
	5	Replace electric service main switchboard
	6	Replace emergency generator and transfer switch
	7	Replace panelboards and feeders
	8	Replace lighting fixtures; all floors
	9	Replace pneumatic control components with direct digital / electronic. Remove air compressors and pneumatic tubing.
	10	Make minor repairs to sprinkler system
	11	Replace all plumbing piping; drain/waste/vent, and hot/cold supply

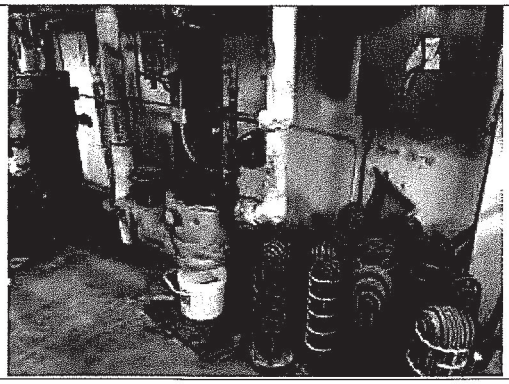
C-WING	1	Replace split system air conditioning units; indoor AHU and outdoor condensing unit. 3 floors
	2	Replace fin tube radiation and control valves. 3 floors
	3	Replace roof exhaust fans. Clean and rebalance exhaust ductwork.
	4	Replace main steam distribution components and heat exchanger in C mechanical room
	5	Replace panelboards and feeders, except newer emergency panels
	6	Replace lighting fixtures; all floors
	7	Replace pneumatic control components with direct digital / electronic. Remove air compressors and pneumatic tubing.
	8	Make minor repairs to sprinkler system
	9	Replace all plumbing piping; drain/waste/vent, and hot/cold supply
D-WING	1	Replace roof exhaust fans. Clean and rebalance exhaust ductwork
	2	Replace main steam distribution components and heat exchanger in D basement mechanical room
	3	Replace panelboards and feeders, except newer emergency panels
	4	Replace lighting fixtures; all floors
	5	Make minor repairs to sprinkler system
	6	Replace all plumbing piping; drain/waste/vent, and hot/cold supply

XII. PHOTOGRAPHS – MECHANICAL / ELECTRICAL SYSTEMS

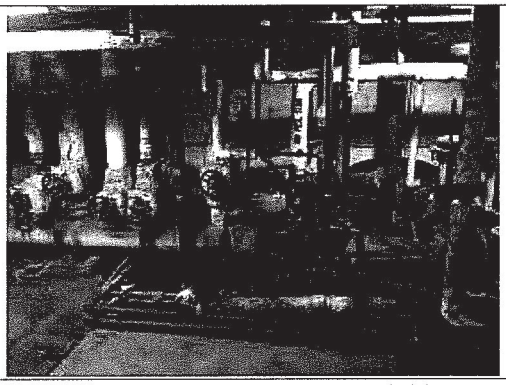
#1 B-Wing Generator



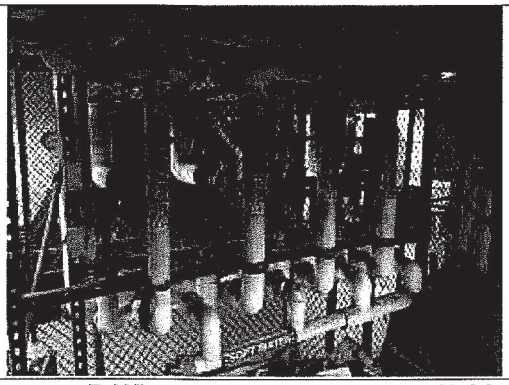
#2 B-Wing Transfer Switch



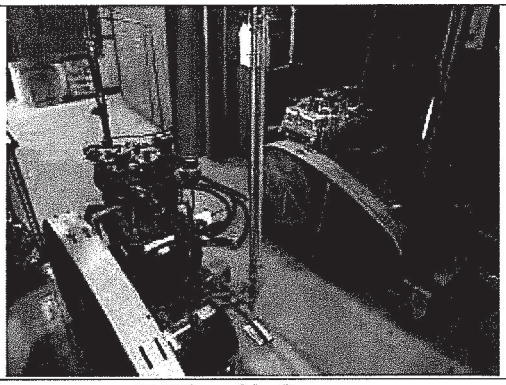
#3 B-Wing Water Heaters



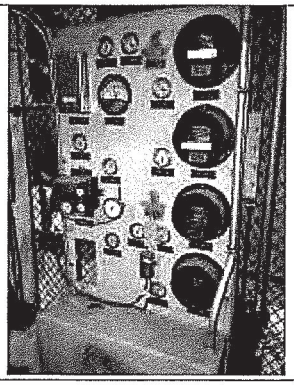
#4 B-Wing Steam Manifold



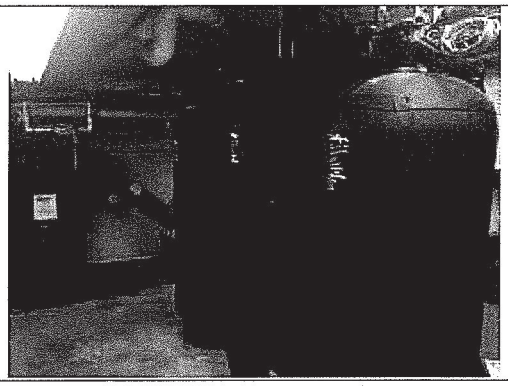
#5 B-Wing Domestic Water Manifold



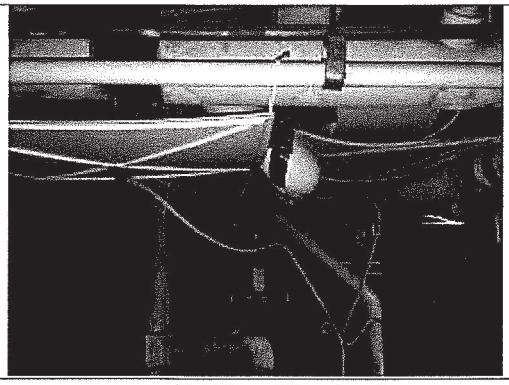
#6 B-Wing Air Compressors



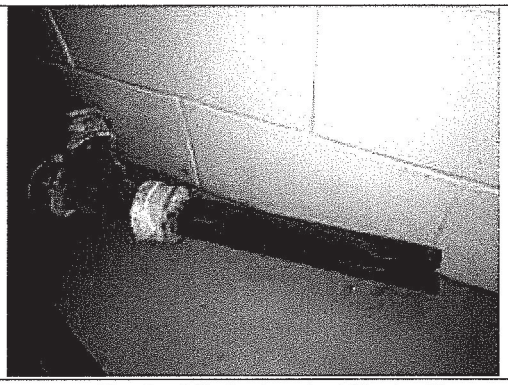
#7 B-Wing Pneumatic Controls



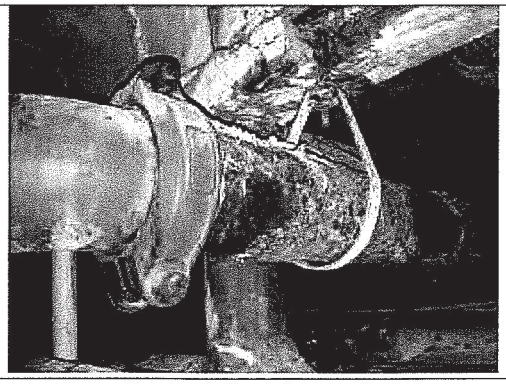
#8 B-Wing Water Softener



#9 B-Wing Pipe Leaks

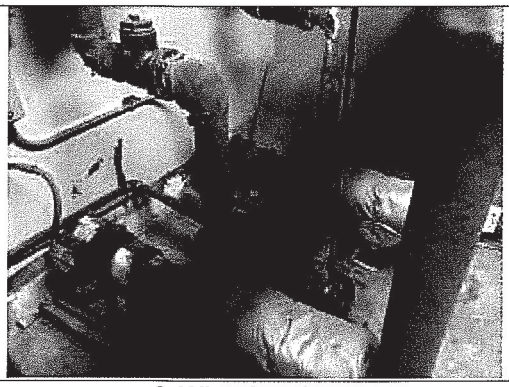


#10 Typical Deteriorated Drain Pipe



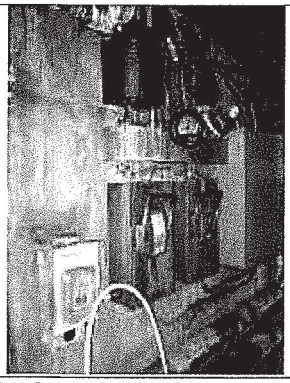
#11 Typical deteriorated piping

#12 Typical deteriorated pipe

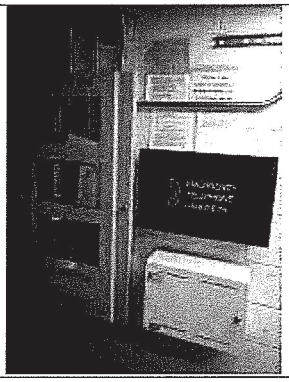


#13 C-Wing heating pumps

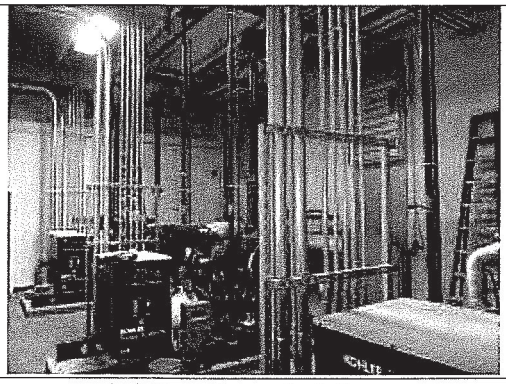
#14 Typical steam pressure regulators



#15 Electrical equipment damaged from leaks

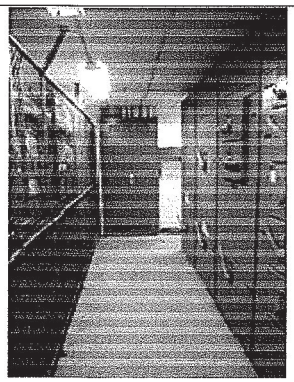
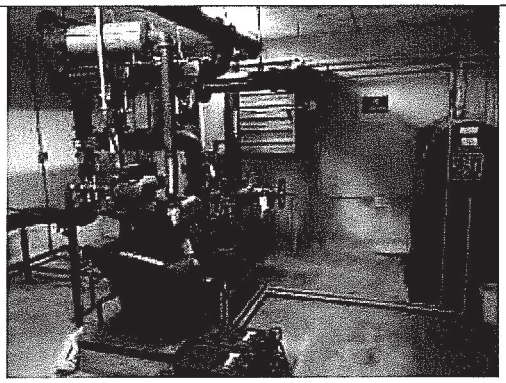
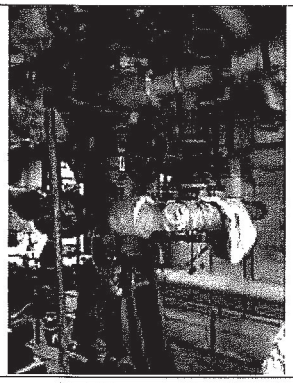
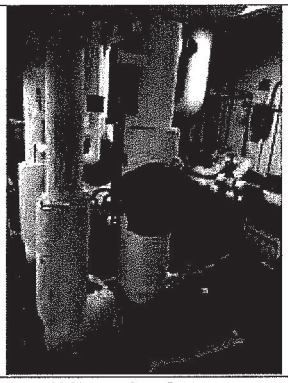
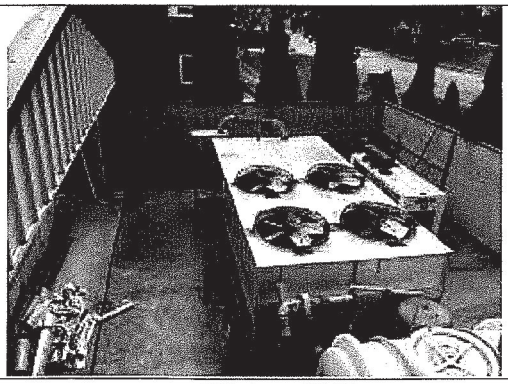


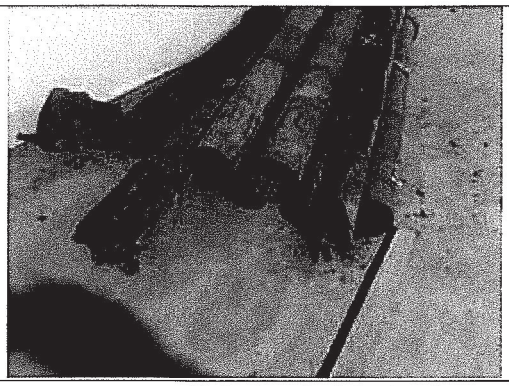
#16 Main fire alarm panel



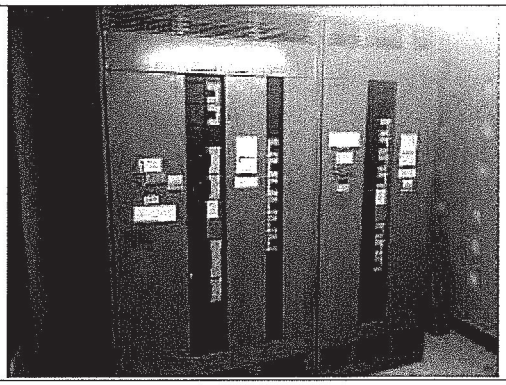
#17 D-Wing (Laundry) Generators

#18 D-Wing Transfer Switches

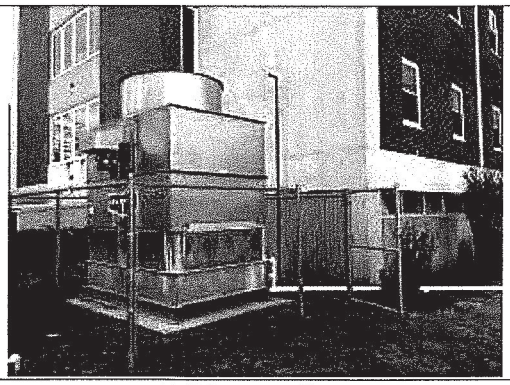
	
#19 D-Wing Main Switchgear	#20 D-Wing fire pump
	
#21 D-Wing water heater	#22 D-Wing dual temp pumps
	
#23 Kitchen Chiller	#24 Kitchen Rooftop Unit



#25 Deteriorated drain pipes

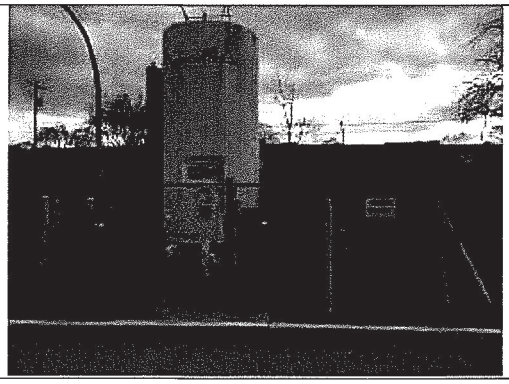


#26 Kitchen switchboard

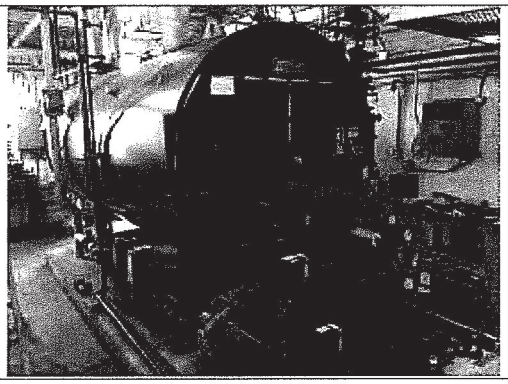


#27 D-Wing cooling tower

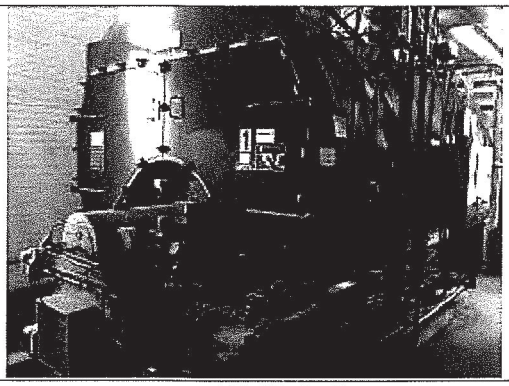
#28 D-Wing chiller



#29 D-Wing oxygen tank



#30 300 HP boiler



#31 400 HP boiler

#32 Main condensate feed pump

#33 Main condensate return pump

End of MEP Systems Report

strunk-albert engineering

FACILITY ASSESSMENT AND FUTURE OPTIONS STUDY
CEDARBROOK-ALLENTOWN NURSING HOME
COUNTY OF LEHIGH
350 S. CEDARBROOK ROAD, ALLENTOWN, PA

Scope Items 6.0, 7.0
WING ADDITION
PARTIAL SITE PLAN

SP-1
MARCH 24, 2017

ROTH MARZ PARTNERSHIP P.C.
ARCHITECTS
PLANNERS
PROJECT MANAGERS

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info@rothmarz.com

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Allentown, PA 18104
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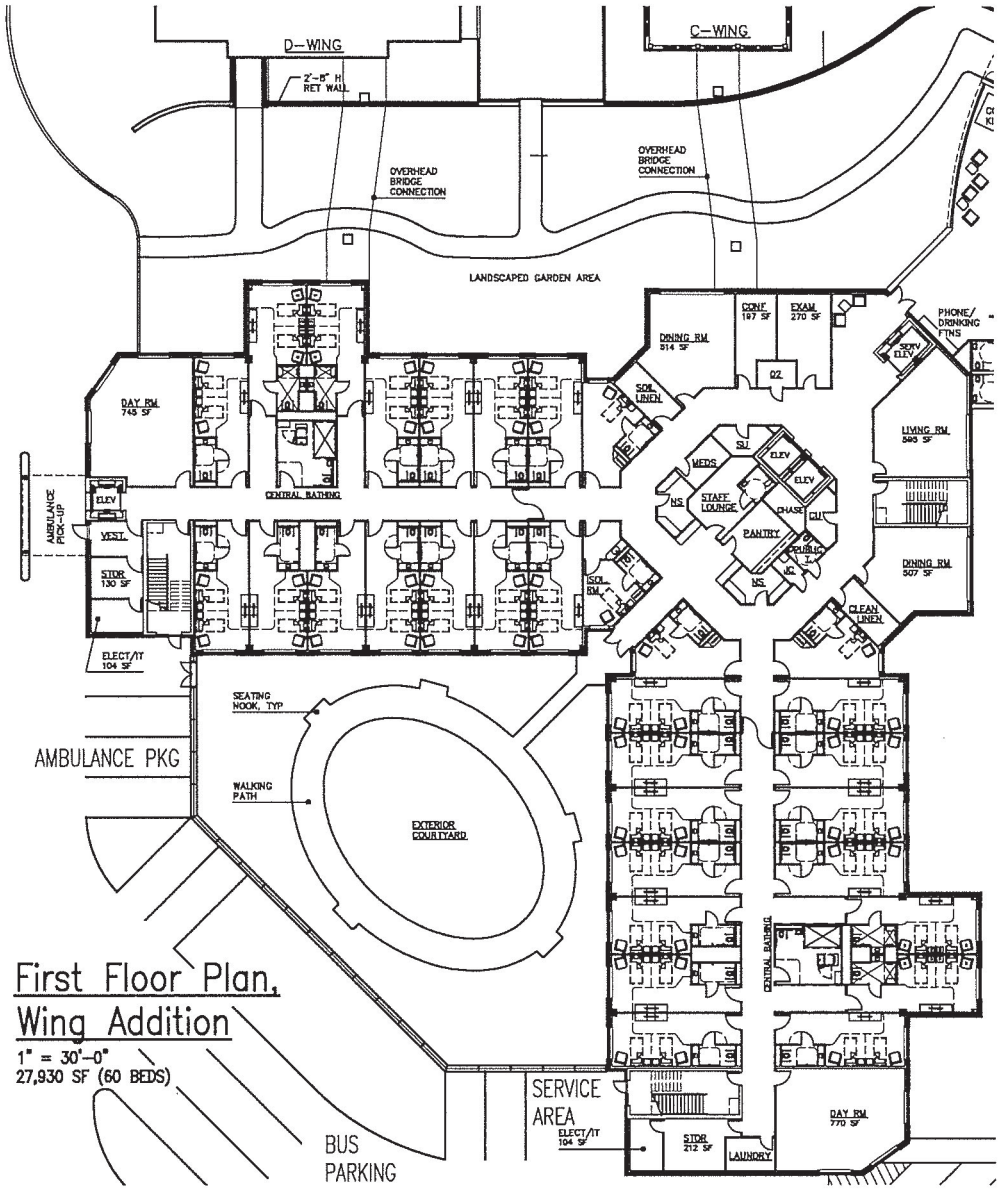
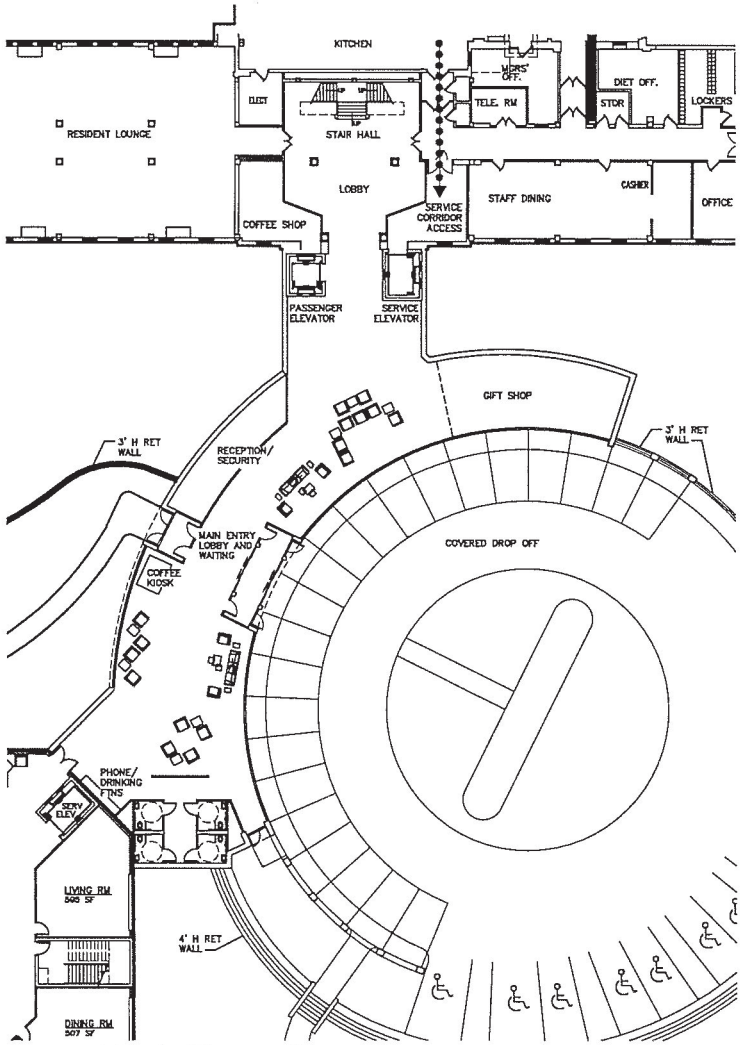
rmo@rothmarz.com



First Floor Plan, Wing Addition

1" = 30'–0"
27,930 SF (60 BEDS)



First Floor Plan, Entry/Connecting Link Addition

1" = 30'–0" 6,820 SF

NOTE: 1ST FLOOR RENOVATION, EXISTING BUILDING: 1,810 SF

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FACILITY ASSESSMENT AND FUTURE OPTIONS STUDY
CEDARBROOK-ALLENTOWN NURSING HOME
COUNTY OF LEHIGH
330 S. CEDARBROOK ROAD, ALLENTOWN, PA

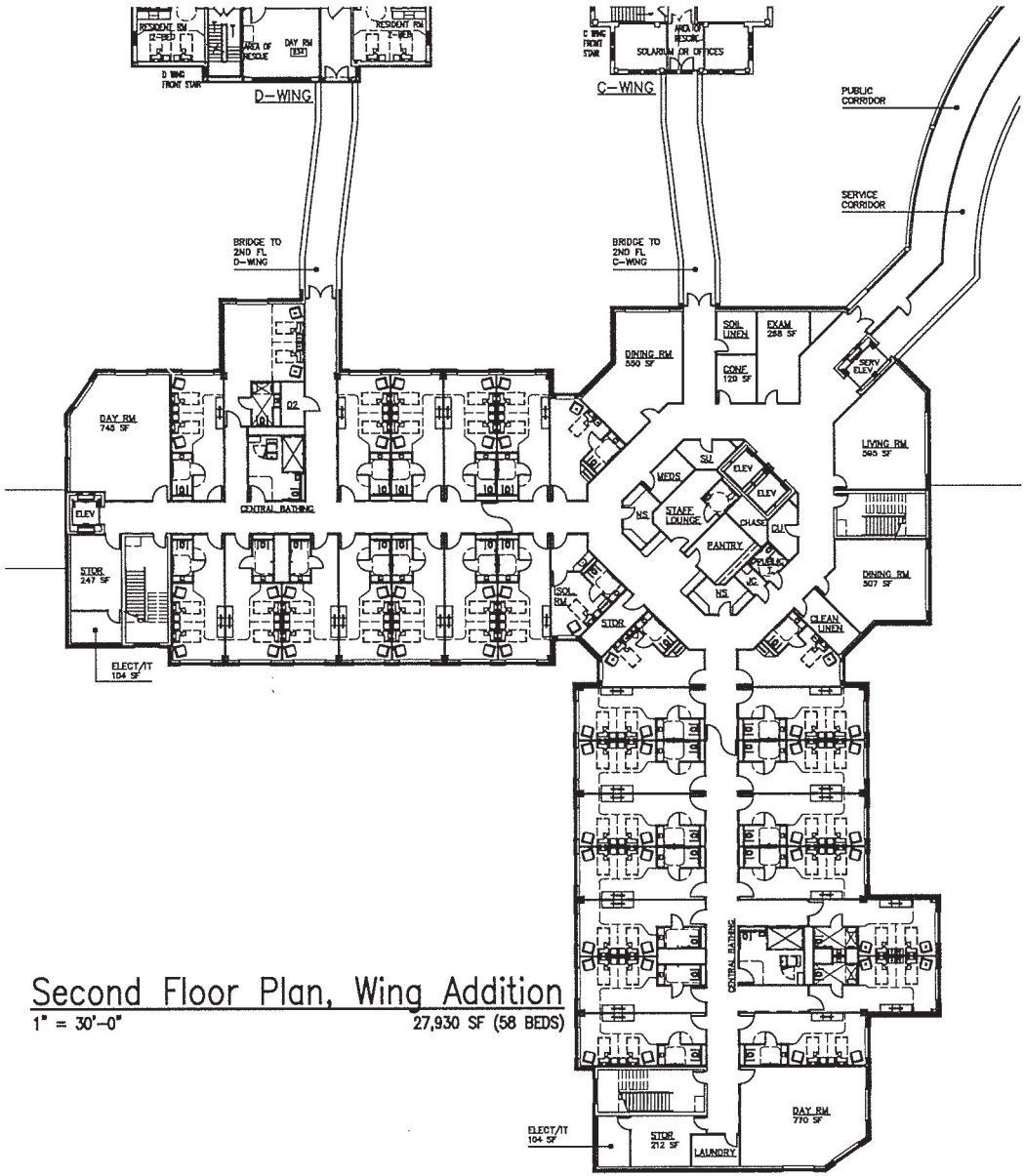
Scope Item 6.0

1ST FLOOR PLAN

WING ADDITION AND ENTRY/CONNECTING LINK ADDITION

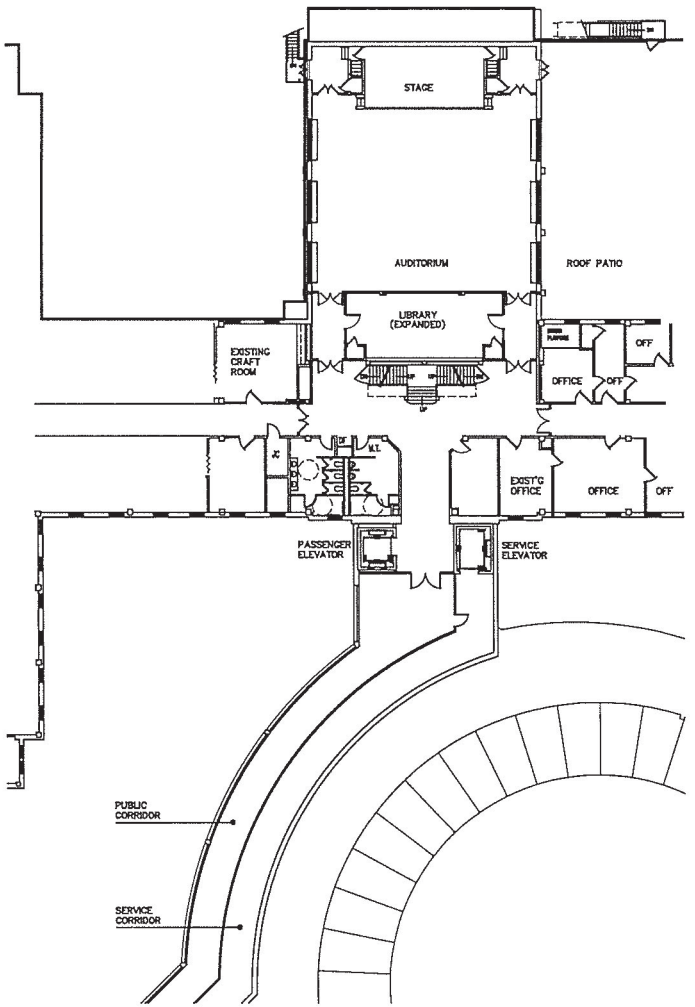
A-1

MARCH 22, 2017
REV 11-10-2017



Second Floor Plan, Wing Addition

1" = 30'-0" 27,930 SF (58 BEDS)



Second Floor Plan, Entry/Connecting Link Addition

1" = 30'-0" 2,340 SF

NOTE: 2ND FLOOR RENOVATION, EXISTING BUILDING: 3,300 SF

ROTH MARZ PARTNERSHIP P.C.
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FACILITY ASSESSMENT AND FUTURE OPTIONS STUDY
CEDARBROOK-ALLENTOWN NURSING HOME
COUNTY OF LEHIGH

350 S. CEDARBROOK ROAD, ALLENTOWN, PA

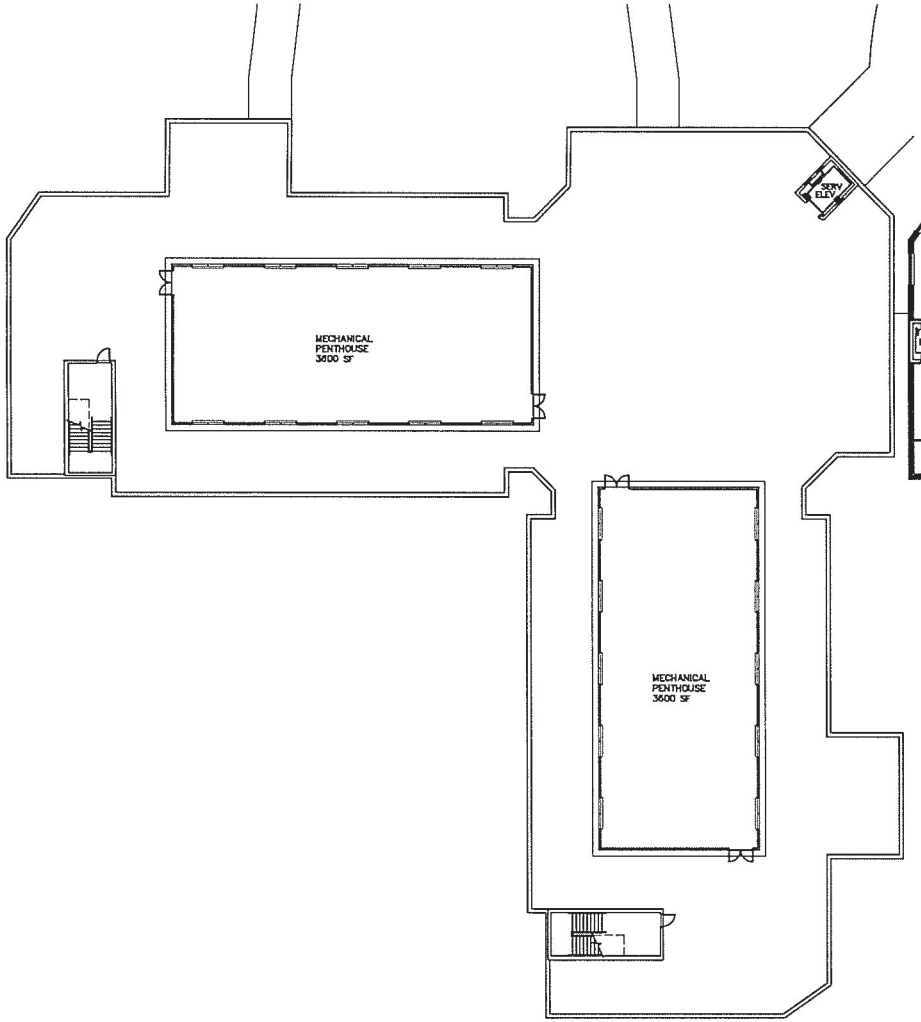
Scope Item 6.0

2ND FLOOR PLAN

WING ADDITION AND ENTRY/CONNECTING LINK ADDITION

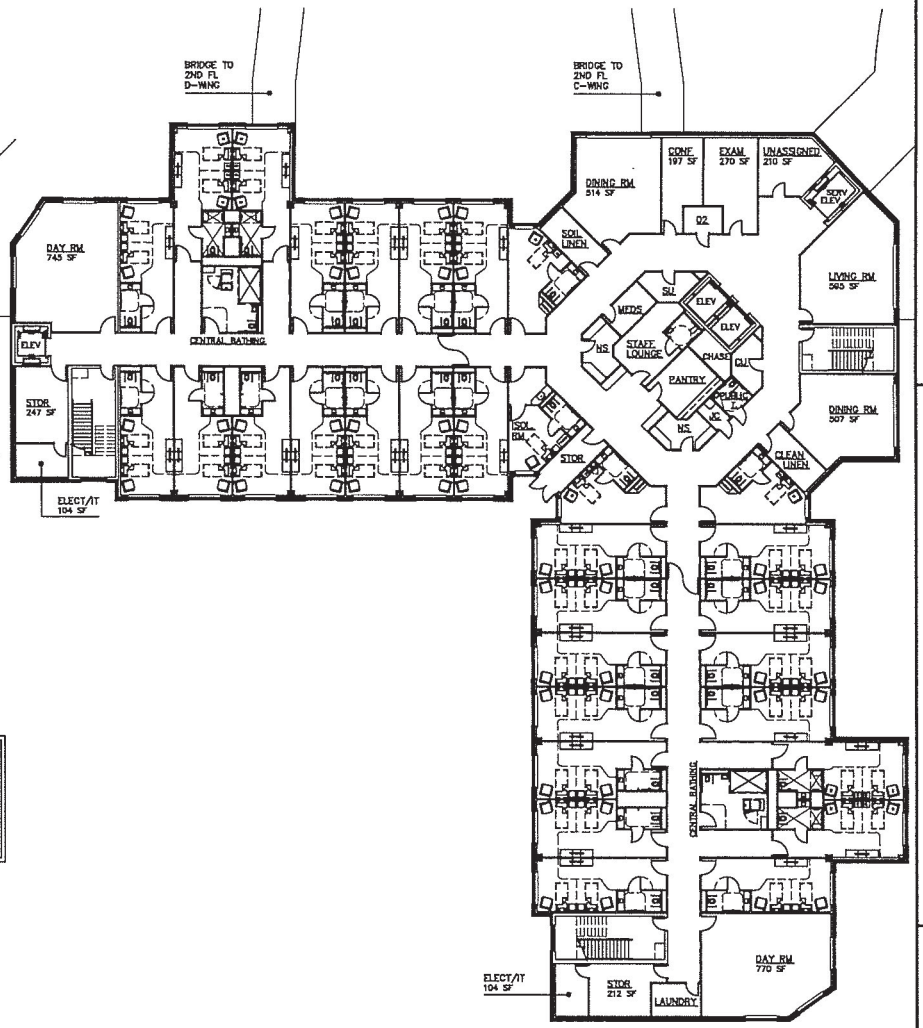
A-2

MARCH 22, 2017
REV 11-10-2017



Roof Plan, Wing Addition

1" = 30'-0" 27,930 SF



3rd/4th Floor Plan, Wing Addition

1" = 30'-0" 27,930 SF/FL (60 BEDS/FLOOR, 120 BEDS TOTAL)

ROTH MARZ PARTNERSHIP P.C.
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FACILITY ASSESSMENT AND FUTURE OPTIONS STUDY
CEDARBROOK-ALLENTOWN NURSING HOME
COUNTY OF LEHIGH
300 S. CEDARBROOK ROAD, ALLENTOWN, PA.

Scope Item 6.0

3RD /4TH FLOOR PLANS, ROOF PLAN

WING ADDITION

A-3

MARCH 22, 2017
REV 11-10-2017

Wing Addition – Typical Room

1/4" = 1'-0"

ROTH MARZ PARTNERSHIP P.C.	FACILITY ASSESSMENT AND FUTURE OPTIONS STUDY CEDARBROOK-ALLENTOWN NURSING HOME COUNTY OF LEHIGH 30 S. CEDARBROOK ROAD, ALLENTOWN, PA	Scope Item 6.0 WING ADDITION ENLARGED PLAN, TYPICAL ROOM	A-4 MARCH 22, 2017

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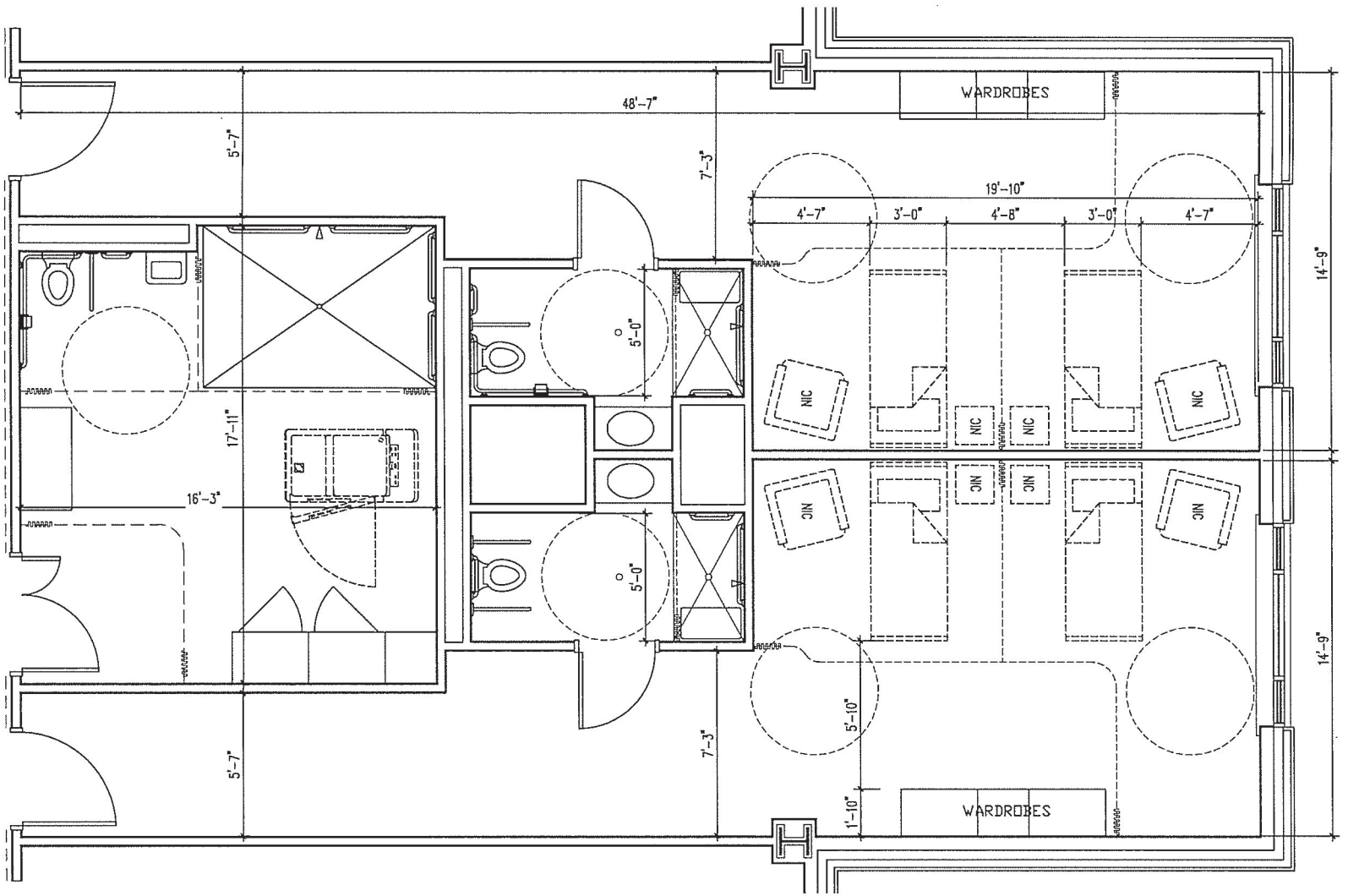

Wing Addition – Typical Room / Assisted Bathing Room

1/4" = 1'-0"

ROTH MARZ PARTNERSHIP P.C.

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INTERIORS
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FACILITY ASSESSMENT AND FUTURE OPTIONS STUDY
CEDARBROOK-ALLENTOWN NURSING HOME
COUNTY OF LEHIGH
330 S. CEDARBROOK ROAD, ALLENTOWN, PA

Scope Item 6.0

WING ADDITION

TYPICAL ROOM / ASSISTED BATHING ROOM

A-5

MARCH 22, 2017

ADDENDUM #2

The following additions, deletions or changes are hereby made to the above referenced "Request for Proposals":

✓ Following are the responses to all questions raised before the 4:00 P.M., January 24, 2020 cutoff. The questions submitted are listed, with the respective answers below:

1. Under section 17.4 of the RFP it states, "The County will only consider proposals received from firms who have completed at least three (3) such projects." Are these projects limited to skilled nursing?
   - ➢ No.

2. RFP page 28 is labeled "Subcontractor List". Is this to identify further references for the CM firm or possible partners for the design and construction management process?
   - ➢ This list is other professional firms you plan to use as "subs" should you be awarded the contract resulting from this RFP.

3. Per the pre bid meeting, it is our understand that the County intends there will be an enabling package including the demolition of the old juvenile center and construction of a new parking lot. This is anticipated starting fall 2020. Please confirm this is the intent and if on site CM services are required during the enabling portion?
   - ➢ Yes.

4. How many cost estimates are required and at what stages of the design?
   - ➢ Cost estimates are required during Schematic Design through Approved Design.

5. Per item 9.6, please confirm this work is the responsibility of the A/E and not the CM. The CM will provide necessary documentation, i.e. bid schedules, logistics plan, SOW, etc., to the A/E for integration into the bid documents.
   - ➢ This item confirms the CM responsibility to ensure various building codes are in compliance.

6. Per item 9.8, please confirm this is the A/E's responsibility? The CM will assist depending on the nature of the inquiry.
   - ➢ CM will assist the County in developing the RFP and then contracting for any specialized services required to complete the construction project.

7. Per item 10.11, please clarify the intent? Typically, the contract is updated and issued by the County for prime contractor execution.
   - ➢ CM will prepare the prime contractor contracts with direction from the County. The contracts will be with the County, not the CM.

8. Per item 12.1.2, please confirm O&M drawings are not the responsibility of the CM?
   - ➢ CM will ensure that the County has a complete set of O&M Drawings. The A/E Team will support this initiative.

9. Per item 19, it is not typical to receive payment based on milestones for CM services. Will the County consider a monthly lump sum fee for the preconstruction and construction periods?
   - ➢ County will be open to considering an alternative fee schedule for both preconstruction and construction periods.

10. In light of the rapid pace of change to typical work days and environments throughout the country and getting settled into the new normal (however long or short) of collaborating remotely, has or will an extension to the proposal due date of April 1, be considered? Possibly a 4/3 or 4/8 due date would assist all firms. With that, we are moving forward and are prepared to submit on the 1st.
    - ➢ The 4:00 P.M., Local Time, April 1, 2020 due date/time remains unchanged. Firms are

encouraged to use mail services to submit their proposals. In addition, hand delivery may be made to the Sheriff Deputy at the Government Center entrance if the building is still closed to the public.

11. Is there another form of contract in addition to the Professional Services Agreement that the County intends to require for Construction Management Services, e.g. AIA A133 or A134, Consensus DOCs 210, 230, 500, or 510, etc.?
    - ➢ No.

12. If the County intends to use the Professional Services Agreement in the RFP for Construction Management Services, please clarify whether the County expects the Provider's subcontractors to be "insurers" in Section XIII.F.
    - ➢ The language is self-explanatory.

13. With the Federal, State and local mandates in regard to the corona virus, are there any changes to the RFP submission schedule?
    - ➢ See #10 above.

14. Per item 7.14, please confirm the CM will not be responsible for the installation of the IT equipment. We assume that our role will be to oversee the vendors hired by the County.
    - ➢ Confirmed.

15. Should the fixed fee include reimbursables for the site office, project management software, BBT, Liability Insurance, printing costs, etc.
    - ➢ Yes.

16. Depending on your answer for (#15 above). If we are to include reimbursables such as Project Management Software, the cost is dependent on the total construction value. Could you give all CM's the same Construction Value to base our estimates on?
    - ➢ For the purposes of this calculation, use a building construction value of $40,000,000.

17. The Price Proposal Form asks for an 'all-inclusive, lump sum, not to exceed fee (including out-of pocket expenses)'. We would like to include documentation in support of the above; which may include proposed staff/roles, general requirements, general conditions to deliver the CM services outlined. Would including this supporting documentation be allowed under this RFP?
    - ➢ Yes.

18. Should the Construction Manager Fixed Fee include the cost of a full time superintendent to manage the 8 trade packages or will one of the 8 trade packages include the full time superintendent?
    - ➢ The CM should include costs for a full-time superintendent to manage the trade packages.

The provisions of this Addendum No. 2 shall take precedence over the original "Request for Proposals", wherever they may conflict; the intention being to alter said specifications as noted.

Please be sure to acknowledge your receipt of this Addendum No. 2 in the appropriate area on the Price Proposal Form.

LEHIGH COUNTY EXECUTIVE

BY: George M. Nader, Jr., CPPO
Chief Procurement Officer

DATED: March 25, 2020

PRICE PROPOSAL FORM

We, Skanska USA Building Inc. (Proposer's Name), on this the 12 day of March, 2020 hereby:

- Propose and agree to furnish and deliver CONSTRUCTION MANAGEMENT SERVICES FOR THE CEDARBROOK ADDITIONS & RENOVATIONS PROJECT for the County of Lehigh, in accordance with this "Request for Proposals", for the **all-inclusive, lump sum, not to exceed fee (including out-of-pocket expenses)** of One Million Three Hundred and Seventy Six Thousand Four Hundred Dollars ($1,376,400).
- Expect to begin work within (*) 1 days after notification of award and to complete the work within 916 days after commencement. (*) Executed Contract
- Have received and reviewed the following Addenda (if applicable):
  1. Addendum #1, dated 3/10/2020.
  2. Addendum #2, dated 3/25/2020.
  3. _____, dated _____.

We have included one (1) complete original and one (1) complete electronic copy on CD (or other generally accepted media) of the following as our proposal:

- ✓ This Price Proposal Form.
- ✓ Documentation as required by **Section 30.0**, including the Reference Form and Subcontractor List.

NOTE: THE ENTIRE RFP PACKET NEED NOT BE RETURNED. Please be sure to provide the requested number of copies of all proposer provided attachments. Thank you.

Communications Concerning this Proposal shall be addressed to:

Contact Person Name:	Christopher Anderson
Contact Person Title:	Vice President / Regional Director
Address:	518 E. Township Line Road, Suite 200 Blue Bell, Pennsylvania 19422
Telephone Number:	+1 267 470 1034
Fax Number:	N/A
Email Address:	christopher.anderson@skanska.com

Authorized Signature of Proposer

When the Proposer is an Individual:

Name of Proposer	Federal Tax ID Number
Street Address	City / State / Zip
Telephone Number / Fax Number	Email Address
Signature	Signatory's Name and Title (Printed)

When the Proposer is a Partnership:

Name of Partnership	Federal Tax ID Number
Street Address	City / State / Zip
Telephone Number / Fax Number	Email Address
Signature	Signatory's Name and Title (Printed)

When the Proposer is a Corporation:

Skanska USA Building Inc.	22-3752540
Name of Corporation	Federal Tax ID Number
518 E. Township Line Road, Suite 200	Blue Bell, Pennsylvania 19422
Street Address	City / State / Zip
267.470.1000 / 267.470.1010	michael.benedetto@skanska.com
Telephone Number / Fax Number	Email Address
Signature (** see note below)	Michael Benedetto, Senior Vice President/Regional Executive
	Signatory's Name and Title (Printed)
Witness's Signature (** see note below)	Christopher Anderson, Vice President/Regional Director
	Witness's Name and Title (Printed)

**** The President's or Vice President's signature must be attested by the Corporate Secretary or Treasurer. If any employee other than the President or Vice President signs on behalf of the corporation, or if the President's or Vice President's signature is not attested to by the Corporate Secretary or Treasurer, a copy of the corporate resolution authorizing said signature must be attached to this proposal. Failure to attach a copy of the appropriate authorization, if required, may result in rejection of the proposal.**

SKANSKA

LIMITED POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that Skanska USA Building Inc., a corporation duly organized and existing under the laws of the State of Delaware, and having its principal office at 389 Interpace Parkway, 5th Floor, Parsippany, New Jersey 07054, does hereby make, constitute and appoint the below listed representative

Michael Benedetto **Senior Vice President**

its true and lawful Attorney-In-Fact, with full power and authority hereby conferred to sign and deliver the following:

Any document(s), contract(s) or other instrument(s) necessary to or required to bind Skanska USA Building Inc. thereby with **the County of Lehigh** relating to **Proposal #20-008 for the Cedarbrook New Wing & Renovations Project - Construction Management Services**, located at the **Cedarbrook-Allentown Senior Care & Rehab, 350 S. Cedarbrook Road, Allentown, Pennsylvania** or any division thereof as fully and to the same extent as if the same were signed by any other duly authorized officer of Skanska USA Building Inc., and all acts of said Attorney-In-Fact are hereby ratified and confirmed.

This appointment is made under and by the authority of a Power of Attorney issued by the Secretary of Skanska USA Building Inc. on the 20th day of August, 2019 and that this Power of Attorney was issued in accordance with the corporate resolution adopted by written consent in lieu of a formal meeting of the Board of Directors of Skanska USA Building Inc. on the 26th day of October, 2004 and is now in full force and effect.

IN WITNESS WHEREOF, Skanska USA Building Inc. has caused this instrument to be signed by its Corporate Counsel and Assistant Secretary and its corporate seal to be hereto affixed this 18th day of March, 2020.

Stefani Bonato
Assistant Secretary

Skanska USA Building Inc. CORPORATE SEAL DELAWARE

STATE OF NEW JERSEY
COUNTY OF MORRIS

On this 18th day of March, 2020, before me personally came Stefani Bonato, to me known, who, being duly sworn, did depose and say that She is Associate Corporate Counsel and Assistant Secretary of Skanska USA Building Inc., the corporation described in and which executed the above instrument; that she knows the seal of said corporation; that said seal affixed to said instrument is such corporate seal and that she executed the said instrument on behalf of the corporation by authority of the above referenced Power of Attorney.

Notary Public
My Commission expires:

LAURA A. BOSWELL
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires 1/12/2021

LAURA A. BOSWELL NOTARY PUBLIC NEW JERSEY

COUNTY OF LEHIGH - CAMPAIGN FINANCE DISCLOSURE

The below disclosures MUST be made in writing and provided to the County at the time any proposal or quote for a Contract is made. (Please attach additional pages if necessary)

1. Name of Business Entity: Skanska USA Building, Inc. Date: 09/15/2020

2. Contact Person in Entity: Christopher Anderson

3. Names of all Officers and titles: (Defined as: an individual who serves as President, Vice President, Secretary, Treasurer, Chief Executive Officer, Chief Financial Officer, Chief Operating Officer or Executive Director of a Business Entity)

   Michael Benedetto - Sr. Vice President / Regional Executive
   Christopher Anderson - Vice President / Regional Director

4. Business address & telephone number: Skanska USA Building
   518 E Township Line Rd., Suite 200
   Blue Bell, PA 19422 (267) 470-1034

5. Names, business addresses and phone numbers of all subcontractors which will be used on the contract, or certification that no subcontractors will be used:
   T & M Associates
   74 W Broad St., #530
   Bethlehem, PA 18018 (844) 614-4117

   ☐ I hereby certify that no subcontractors will be used.

6. Names, business addresses and phone numbers of any Consultants used to assist in securing the contract, or certification that no Consultants were used:

   ☒ I hereby certify that no Consultants were used.

7. Please list any Contributions made in the past twenty-four (24) months to County Elected Officials (for any candidacy) or to Candidates for Elective County Office. Contributions made by the proposed contractor, any subcontractors and any consultants must be disclosed. Contribution made by an Officer, director, controlling partner or shareholder of a business entity and members of their immediate family are considered to be Contributions by a Business Entity. (See Lehigh County Administrative Code Section 801.5.D for additional attribution rules.) If no Contributions were made, a certification stating same:

(continued on next page)

☒ I hereby certify that no Contributions were made.

8. Has any County Officer or Employee asked you or any members of your Business Entity listed in #7 above, to make a Contribution in the past twenty-four (24) months? (General campaign mailers are not considered requests for contributions.)

☐ Yes ☒ No

If yes, please indicate the name, title of the person, the date and amount of the requested Contribution: _____

9. Provide copies of the forms required to be filed with the Pennsylvania Department of State regarding campaign contributions, as set forth in 25 P.S. §3260a for the previous two (2) years, or a certification that no forms were required to be filed: _____

☒ I hereby certify that no forms were required to be filed.

[signature]
Signature:

Sr. Vice President/Regional Executive
Title of Signatory:

Michael Benedetto
Print Name:

KeyCite Yellow Flag - Negative Treatment
Proposed Legislation

Purdon's Pennsylvania Statutes and Consolidated Statutes
Title 25 P.S. Elections & Electoral Districts (Refs & Annos)
Chapter 14. Election Code (Refs & Annos)
Article XVI. Primary and Election Expenses (Refs & Annos)

25 P.S. § 3260a

§ 3260a. Reports by business entities; publication by Secretary of the Commonwealth

Currentness

(a) Any business entity including but not limited to a corporation, company, association, partnership or sole proprietorship, which has been awarded non-bid contracts from the Commonwealth or its political subdivisions during the preceding calendar year, shall report by February 15 of each year to the Secretary of the Commonwealth an itemized list of all political contributions known to the business entity by virtue of the knowledge possessed by every officer, director, associate, partner, limited partner or individual owner that has been made by:

(1) any officer, director, associate, partner, limited partner, individual owner or members of their immediate family when the contributions exceed an aggregate of one thousand dollars ($1,000) by any individual during the preceding year; or

(2) any employe or members of his immediate family whose political contribution exceeded one thousand dollars ($1,000) during the preceding year.

For the purposes of this subsection, "immediate family" means a person's spouse and any unemancipated child.

(b) It shall be the duty of the Secretary of the Commonwealth to publish sixty (60) days after February 15 of each year a complete itemized list of all contributions given under the provisions of subsection (a). This list shall be a matter of public record open to public inspection and copies made available at cost to any individual who requests them.

Credits
1937, June 3, P.L. 1333, § 1641, added 1978, Oct. 4, P.L. 893, No. 171, § 2, effective Jan. 1, 1979. Amended 1980, July 11, P.L. 649, No. 134, § 6, imd. effective.

25 P.S. § 3260a, PA ST 25 P.S. § 3260a
Current through end of the 2016 Regular Session

End of Document

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NEW SECTION 801.5 –
OPEN AND PUBLIC PROCESS REQUIRED FOR NON-BID CONTRACTS

Section 801.5 – OPEN AND PUBLIC PROCESS REQUIRED FOR NON-BID CONTRACTS

This section shall apply to all contracts which are required to be approved by the Board of Commissioners pursuant to section 801.1 of this Administrative Code. The intent of this section is to preclude businesses from participating in non-bid County contracts if controlling individuals in the business or their immediate family members have contributed over Two-Hundred Fifty Dollars ($250.00) to Candidates for County Elected Offices or Incumbents.

A. Definitions
   1. Affiliate – a parent or subsidiary of a Business Entity
   2. Business Entity – a domestic or foreign corporation for profit or not-for-profit, association, general or limited partnership, limited liability company or sole proprietorship.
   3. Candidate – an individual as defined in the Pennsylvania Election Code, 25 P.S. §3241.
   4. Consultant – any Person used by a Business Entity to assist in obtaining a Contract, through direct or indirect communication by such Person with a County Elected Official or employee, if the communication is undertaken by such Person with the expectation of receiving payment from the Business Entity for the assistance.
   5. Contract – any professional services agreement which must be approved by the Board of Commissioners pursuant to section 801.1 of this Administrative Code.
   6. Contractor – any Person or Business Entity who currently has entered into a Contract which is subject to approval by the Board of Commissioners.
   7. Contribution – as defined in the Pennsylvania Election Code, 25 P.S. §3241 and subject to the Attribution Rules in section 801.5.D.
   8. Controlling Shareholder - an individual who owns or controls greater than fifty percent (50%) of the shares of the Business Entity.
   9. Elective County Office – the offices of County Executive, County Commissioner, District Attorney, Coroner, Controller, Clerk of Judicial Records and Sheriff.
   10. Immediate Family – spouse or life partner and unemancipated children.
   11. Incumbent – an individual who currently holds an Elective County Office.
   12. Officer - an individual who serves as President, Vice President, Secretary, Treasurer, Chief Executive Officer, Chief Financial Officer, Chief Operating Officer or Executive Director of a Business Entity.
   13. Person – an individual, partnership, association, corporation, limited liability corporation, joint venture or other legal entity.
   14. Political Action Committee (PAC) – as defined in the Pennsylvania Election Code, 25 P.S. §3241.
   15. Political Committee – as defined in the Pennsylvania Election Code, 25 P.S. §3241.

B. Required Disclosures

Any Business Entity which wishes to be eligible to enter into a Contract with Lehigh County must comply with the following conditions in addition to those contained elsewhere in this Administrative Code.

1. The Business Entity must disclose:

   a) the names, business addresses and phone numbers of all subcontractors which will be used on the contract;

   b) the names, business addresses and phone numbers of any Consultants used to assist in securing the contract, or a certification that no Consultants were used;

   c) any Contributions made to County Elected Officials or Candidates for Elective County Office by the proposed Contractor, the subcontractors to be used or the Consultants in the previous two (2) years or a certification that no such Contributions were made;

   d) the name and title of each County Elected Official or employee who, within two (2) years prior to the application or proposal for a Contract, asked the Business Entity or any Officer, director or controlling shareholder of the Business Entity to make a Contribution to a Candidate for Elective County Office, and any Contribution made in response to any such request, including the amount of the Contribution and the date made.

2. Provide copies of the forms required to be filed with the Pennsylvania Department of State regarding campaign contributions, as set forth in 25 P.S. §3260a for the previous two (2) years, or a certification that no forms were filed.

3. These disclosures must be made in writing on a campaign finance disclosure form provided by the County and submitted to the County prior to approval of the contract by the Board of Commissioners. Copies of the campaign finance disclosure form will be maintained with the Contract proposal, and then with the Fiscal Office when the Contract is fully executed. These campaign finance disclosure forms will be available for review by the public when the proposed contract is available. Failure to provide these disclosures will disqualify a Business Entity from entering into a contract with the County.

C. Contract Requirements

1. Eligibility – If a Business Entity has made Contributions in excess of Two-Hundred Fifty Dollars ($250.00) in the aggregate during a calendar year to a Candidate for nomination or election to any Elective County Office or to an Incumbent, then the Business Entity shall not be eligible to enter into any Contract nor shall the Business Entity be eligible to be a sub-contractor of any such Contract for a period of two (2) years following the year of the Contribution(s).

2. During the term of the Contract, and as a specific provision of the Contract, the Contractor shall agree that Contributions will not be made which would render the Contractor ineligible to be considered for a Contract.

3. Ongoing Disclosures – The Contract shall require that the Contractor disclose any Contribution made by the Contractor, sub-contractor or Consultant to any Candidate for Elective County Office or to an Incumbent during the term of the Contract and for one (1) year thereafter. Such disclosures shall be made in writing on a campaign

finance disclosure form provided by the County, and shall be delivered to the County, within (5) business days of the Contribution. This County disclosure form shall be delivered by the Contractor to the County contact person identified in the Contract, who shall forward copies to the Clerk to the Board of Commissioners and the County Fiscal Officer.

4. Breach of any of these Contract provisions will make the Contract voidable at the County's option, and shall make the Contractor liable for liquidated damages to the County in the amount of ten percent (10%) of the maximum payments to the Contractor permitted under the Contract, regardless of whether actually paid.

D. Attribution Rules

The following shall be considered Contributions made by a Business Entity for purposes of this section:

1. A Contribution made by an Officer, director, controlling partner or shareholder of a Business Entity and members of their immediate family, excluding unpaid Board members of a not-for-profit corporation.
2. A Contribution made by any parent, subsidiary or otherwise affiliated entity of the Business Entity.
3. A Contribution made by a PAC controlled by the Business Entity or its affiliates.
4. A Contribution by a PAC controlled by an Officer, director, controlling shareholder or partner of the Business Entity.
5. A Contribution to any political committee or PAC which, during the calendar year in which the contribution is made, itself makes contributions or gives financial support to a particular candidate or group of candidates for nomination or election to any Elective County Office or to a particular incumbent, shall be considered a Contribution to such candidate or incumbent.
6. Any other Contribution made not directly to a candidate for nomination or election to any Elective County Office or Incumbent, but with the purpose and intent that the entity will, directly or indirectly, make such contribution such candidate or Incumbent, shall be considered a Contribution to such candidate or incumbent.
7. Any Contribution solicited by a Person shall be considered a Contribution by such Person, and if a Person sponsors or hosts a fundraising event, then any contributions raised at such event shall be considered to be contributions by such Person. Any Contribution solicited by an Officer, director, controlling shareholder or partner of a Business or affiliate shall be considered a Contribution by such Business, and if any Officer, director, controlling shareholder or partner of a Business or affiliate sponsors or hosts a fund-raising event, then any contributions raised at such event shall be considered to be contributions by such Business.
8. Any Contribution for which a Person is an intermediary shall be considered as a contribution by such Person, and any contribution for which an Officer, director, controlling shareholder or partner of a Business or affiliate (other than a not-for-

profit Business or affiliate) is an intermediary shall be considered a contribution by such Business.

E. Audits

The Lehigh County Controller shall, on an annual basis, audit the campaign finance disclosure forms for all County Vendors to ensure the form is affixed to the contract and that the form is facially complete, and shall be authorized to perform any other audits he/she deems appropriate, as set forth in section 801.4, including review of the disclosure forms required by section 801.5.C.3, herein.

F. Notice

These requirements shall be posted on the County's website and shall be included in all Requests for Proposals as part of the County's standard terms and conditions.

G. Enforcement

Any individual may make a report concerning violations of this section to the County Solicitor. The County Solicitor is authorized to investigate any violations. All county employees shall fully cooperate with the investigation. The County Solicitor shall notify the Board of Commissioners and County Executive of any reported violations at the time the report is made and shall report his/her findings to the Board of Commissioners and the County Executive.

H. Waiver

Any provisions of this section may be waived by motion of the Board of Commissioners if:

1. Compliance with this section may lead to the loss of federal, state or similar grant funds or would violate state or federal law;
2. No eligible Business Entities are available to perform the work after soliciting proposals through the Request for Proposals process in Section 804(c); or
3. Delay in the award of the contract would cause a material threat to public health or safety or material damage to the legal interests of the County. All other provisions of this section shall apply to such contracts except that the disclosures required need not be filed until fourteen (14) days after a contract is executed.

EHXIBIT 23

rdmolchany
9.9.25

Cedarbrook Phase 1 New Wing

2025 Projected Budget (as of September 9th)	
Total Budget	**$74,542,961**
Construction (bids + CO)	$63,100,077
Owners Cost (estimate + CO)	$11,442,884
Original Squre Footage	150,518
Owner Costs	
Owner Contingency (in construction budget)	$0
Environmental	$100,000
Owner Risk Insurance	$310,000
Utility	$200,000
Testing & Inpection	$450,000
Furnishing	$1,764,433
Equipment	$588,144
A&E	$3,978,057
CM	$4,052,250
Total	**$11,442,884**

2021 Initial Project Budget (Skanska)		Variance $	Variance %
Total Budget	**$62,755,748**	**$11,787,213**	**18.78%**
Construction (bids)	$56,413,714	$6,686,363	11.85%
Owners Cost (projection)	$6,342,034	$5,100,850	80.43%
Original Squre Footage	150,518		
Owner Costs			
Owner Contingency (in construction budget)	$0	$0	#DIV/0!
Environmental	$100,000	$0	0.00%
Owner Risk Insurance	$210,000	$100,000	47.62%
Utility	$150,000	$50,000	33.33%
Testing & Inpection	$300,000	$150,000	50.00%
Furnishing	$1,764,433	$0	0.00%
Equipment	$588,144	$0	0.00%
A&E	$1,853,057	$2,125,000	114.68%
CM	$1,376,400	$2,675,850	194.41%
Total	**$6,342,034**	**$5,100,850**	**80.43%**

2016 Construction Estimate (Roth Marz)		Variance
Total Budget	**$46,618,476**	**$27,924,485**
	$41,754,286	$21,345,791
Owners Cost	$4,864,190	$6,578,694
Original Squre Footage	150,518	
Owner Costs		
Owner Contingency	$1,642,717	-$1,642,717
Environmental	$100,000	$0
Owner Risk Insurance	$0	$310,000
Utility	$0	$200,000
Testing & Inpection	$0	$450,000
Furnishing	$450,000	$1,314,433
Equipment	$200,000	$388,144
A&E	$1,482,854	$2,495,203
CM	$968,569	$3,063,681
Total	**$4,864,140**	**$6,578,744**

2025 over 2021 Original Budget Projection				
Construction Escalation	Owner Cost Increases	Site Work Change	Scope Change	**Total Change**
				$11,787,213
$678,576		$6,007,786		
	$5,100,850			
				18.78%

2025 Current Budget Plan over 2016 Project Estimate Projection				
Construction Escalation	Owner Cost Increases	Site Work Change	Scope Change	**Total Change**
				########
$15,337,954		$6,007,786		
	$6,578,744			
				59.90%

Construction Escalation Estimate					
2016	$41,754,286				
2017	$43,006,915				
2018	$44,297,122				
2019	$45,626,036				
2020	$47,907,337				
2021	$50,302,704				
2022	$52,817,840				
2023	$54,402,375				
2024	$56,034,446				
2025	$57,715,479				
2026	$59,446,944	$17,692,658	2026/2016	$9,144,239	2026/2021